UNIVERSITY OF MANITOBA

ANNUAL FINANCIAL REPORT 2003

104-00230/

CONTENTS

MISSION STATEMENT		3
REPORT OF THE BOARD OF GOVERNORS		4
FINANCIAL REPORT OF THE VICE-PRESIDENT (ADMINISTRATION)		6
STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING		16
REPORT OF THE AUDITOR GENERAL		17
CONSOLIDATED FINANCIAL STATEMENTS		
Consolidated Statement of Financial Position		18
Consolidated Statement of Operations and Changes in Fund Balances		20
Consolidated Statement of Operations and Changes In Fund Balances for the General Funds		21
Consolidated Statement of Operations and Changes In Fund Balances for the Restricted Funds		22
Consolidated Statement of Cash Flows		23
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS		24
SCHEDULES		
1	Tuition and Related Fees	35
2	Changes to Research and Special Fund	36
3	Changes to Capital Asset Fund	38
4	Changes to Specific Provisions Fund	38
5	Changes to Staff Benefits Fund	39
6	Revenue and Expense, Ancillary Enterprises	39
7	Net Operating Expenditures	40
8	Research & Special Fund Expenditures	46

(Additional information is available at www.umanitoba.ca/admin/financial_services/)

MISSION STATEMENT

"The mission of the University of Manitoba is to create, preserve and communicate knowledge and, thereby, contribute to the cultural, social and economic well-being of the people of Manitoba, Canada and the world".

In fulfilling its mission, the University of Manitoba seeks to:

- *Provide the highest possible quality of undergraduate and graduate university teaching in the humanities, social sciences, natural and applied sciences, the fine and performing arts and the professions;*
- *Enhance student success by fostering an environment conducive to intellectual and personal growth;*
- *Conduct original scholarship and basic and applied research, and produce creative works of highest quality as judged by international standards;*
- *Serve the community directly by making its expertise available to individuals and institutions, and by providing as much access to the university's intellectual, cultural, artistic and physical resources as its primary teaching and research responsibilities permit;*
- *Preserve and protect academic freedom and intellectual independence, and provide a forum for critical inquiry and debate; and,*
- *Promote equity in access and employment and in the conduct of the university's affairs.*

REPORT OF THE BOARD OF GOVERNORS

To the Lieutenant-Governor-in-Council, Winnipeg, Manitoba

In Compliance with Section 22(1) of The University of Manitoba Act, the Annual Report on the financial affairs of the University for the year ended March 31, 2003 is herewith submitted to the Lieutenant-Governor-in-Council. In this report, we set forth in detail -

(a) the receipts and expenditures for the next preceding fiscal year,
(b) the investments as they stood at the end of the year, and
(c) other particulars which may be of interest to the Lieutenant-Governor-in-Council.

Included with this Report are the Financial Report of the Vice-President (Administration), the Statement of Responsibility for Financial Reporting and the Report of the Auditor General of the Province of Manitoba on the audit of the accounts of the University.

Receipts and Expenditures:
Summary of General Operating Fund Results
(In thousands of dollars)

	Year Ended March 31, 2003	2002
Revenues and Other Additions	$ 336,508	$ 320,005
Expenditures and Other Deductions	304,670	293,969
Net Revenues	31,838	26,036
Appropriated To Specific Provisions	(10,305)	(13,939)
Expenditures Funded from Future Revenues	(7,762)	2,083
Inter-Fund Transfers	(13,023)	(13,830)
Net Increase (Decrease) To Fund Balances	$ 748	$ 350

Additions exceeded deductions by $31,838,000 for the current fiscal year. Net appropriations of $10,305,000 were made to specific provisions and an amount of $20,785,000 was transferred to other funds. The resulting net surplus of $748,000 has been added to the general operating balance in the General Operating Fund, increasing it to a balance of $1,703,000 as at March 31, 2003.

Investments:
Investment holdings at March 31, 2003 were as follows (at fair value):
(In thousands of dollars)

Canadian Bonds	$ 50,467
Canadian Equities	48,714
U.S. Equities	31,518
International Equities	31,359
Other Short Term Investments	105,978
	$ 268,036

Details of the above summaries will be found in the Consolidated Financial Statements of the University which follow.

REPORT OF THE BOARD OF GOVERNORS

Members of the Board of Governors:

At March 31, 2003 the members of the Board of Governors were as follows:

CHAIR
Wayne Anderson, B.S.A., M.B.A.

VICE-CHAIR
Terry Sargeant, B.A., LL.B.

CHANCELLOR
William Norrie, C.M., O.M., Q.C., B.A., LL.B., LL.D. (Man.), LL.D. (Wpg.)

PRESIDENT AND VICE-CHANCELLOR
Emöke J.E. Szathmáry, B.A. (Hons.), Ph.D., LL.D.

APPOINTED BY THE LIEUTENANT-GOVERNOR-IN-COUNCIL
Morgan Albl
Alfred Black, B.Math., M.Math.
Vanaja Dhruvarajan, B.A., M.A., Ph.D.
Gérald Dureault, B.A., B.Ed.
Kris Frederickson, B.Sc.
Ellen Gordon, B.A., M.S.W.
Esyllt W. Jones, B.A. (Hons.), M.A., M.A.
Lisa Meeches, B.A.
Joanna Plater, B.A. (Hons.), M.A.
Terry Sargeant, B.A., LL.B.
Shirley Van Schie, B.A. (Adv.), M.A., LL.B.
Doris Young, B.A. (Hons.), M.P.A.

ELECTED BY SENATE
Harry W. Duckworth, B.Sc. (Hons.), Ph.D.
Janet Hoskins, B.E.S., M.Sc., Ph.D.
Anthony S. Secco, B.Sc. (Hons.), Ph.D.

ELECTED BY GRADUATES
Wayne Anderson, B.S.A., M.B.A.
Ian C.P. Smith, B.Sc. (Hons.), M.Sc., Ph.D., D.Sc. (H.C.), D.Sc. (H.C.), Fil. Doktor (H.C.)
Doug Ward, Q.C., B.A., LL.B.

ELECTED BY THE UNIVERSITY OF MANITOBA STUDENTS' UNION
Romel Dhalla, B.A.
James Kusie, B. Comm. (Hons.)
Nicholas Louizos

UNIVERSITY SECRETARY
Beverly M.M. Sawicki, B.A. (Hons.), LL.B.

Respectfully submitted,
The Board of Governors,
The University of Manitoba.

Wayne Anderson,
Chair.

Table 1
Selected Statistics

	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
Regular Session Enrolment					
Total Students[1,2]	24,981	23,618	21,978	21,124	21,098
•Undergraduate students	21,724	20,534	19,000	18,154	18,075
% Annual Change	5.8	8.1	4.7	0.4	0.9
Full-Time	15,879	15,376	14,404	13,844	14,012
Part-Time	5,845	5,158	4,596	4,310	4,063
•Graduate students	2,852	2,693	2,593	2,590	2,645
% Annual Change	5.9	3.9	0.1	-2.1	-5.3
Full-Time	1,996	1,884	1,822	1,857	1,934
Part-Time	856	809	771	733	711
•Post-Graduate Medical Education Students	405	391	385	380	378
Summer Session Enrolment	9,493	9,009	8,221	7,835	7,488
Full-Time Equivalent Students[1,3]	22,907	21,930	20,493	19,760	19,827
Visa Students	1,232	974	826	754	658
Undergraduate Student Credit Hours[1]					
Regular Session	485,888	465,682	437,048	420,726	424,216
Degrees, Diplomas, Certificates Conferred					
Undergraduate	3,643	3,538	3,348	3,411	3,514
Graduate	556	559	541	604	628
Operating Grant (000's)[4]	$191,003	$187,425	$172,530	$166,113	$162,225
Tuition Income (000's)	$86,334	$80,542	$74,089	$67,314	$61,364
Scholarships & Bursaries (000's)	$7,621	$7,946	$6,987	$6,284	$5,573
Academic F.T.E.[5]	1,201	1,165	1,129	1,138	1,114

1. As at November 1st.
2. Includes B.Sc.(Dentistry), B.Sc.(Medicine) and Joint Master's Program students.
3. Full-Time Equivalent Students = Full-time + (Part-time / 3.5). Includes both summer and regular session.
4. Operating Grant excludes first claims and grant in lieu of tuition; the latter included in Tuition Income.
5. Budget funded academic staff in faculties/schools (less special academics). Includes Strategic Initiatives Process starting in 2001-2002.

FINANCIAL REPORT OF THE VICE-PRESIDENT (ADMINISTRATION)

The fiscal year end marks a financial point in time that leads us to reflect on the utilization of resources and the achievement of goals throughout the University operations. For the University of Manitoba the financial data in the accompanying statements is but one of many relevant measures used to assess achievement. In the following report, we highlight the 2002-2003 financial results and in telling the story behind the numbers, we highlight a few of the significant achievements of the University of Manitoba.

Building Capacity for Quality Education: Students First!

The University experienced growth in student enrolment for the fifth consecutive year. During 2002-2003 enrolments climbed to a total of 22,907 full-time equivalent students, the highest enrolment of the past decade and a growth in excess of 4% over the previous year. The enrolment growth is consistent across the undergraduate and graduate student sectors and reflects the commitment to accessibility. International student enrolment also continued to climb with a growth of 2.6% over the previous year enrolment. The increase in international students results from the strategic goal to increase the University of Manitoba profile in the international community and increase growth in number of international students on campus (**Table 1, Selected Statistics**).

For the Faculty of Nursing increased enrolment demonstrates the success of the investment made through the Manitoba Nursing Education Strategy (MNES) to increase the University's capacity in nursing programs and to expand the numbers of nursing graduates. MNES was introduced in 1997-1998 and since that date the undergraduate enrolment in Nursing has gone up over 60% while the increase in degrees conferred over this same time has increased over 100% (**Table 2**). A similar story may be told about the Faculty of Medicine for which enrolment numbers have increased by 12% over the past five years as a result of strategic initiatives to expand capacity.

Table 2
Faculty of Nursing

	1997-1998	2002-2003	% Change
Undergraduate Enrolment[1]	873	1,429	63.7
	1997	2002	% Change
Undergraduate Degrees Granted	137	282	105.8

1. Includes distance and special students.

The University's Building on Strengths strategic plan called for an increased emphasis on Aboriginal students. In order to better understand the profile of Canadian Aboriginal Students at the University, students are invited to self-declare their status at the point of registration. Information about Canadian Aboriginal student participation assists the University in ensuring programs and services support student success. The University is now able to identify the participation of 929 self-declared students (794 in 2001-2002). This represents an overall undergraduate participation rate of at least 4.3% for fiscal 2002-2003. As not all eligible students self-declare, the actual participation of Canadian Aboriginal students will be higher than reported. Further information regarding Aboriginal student profile may be found at the University of Manitoba website at: http://www.umanitoba.ca/admin/institutional_analyisis.

For fiscal 2002-2003, the University experienced an increase of approximately 7% in total revenues related to tuition fees. This revenue is attributed primarily to increased enrolments. Growth in student enrolment cannot by itself generate sufficient additional revenue to cover the growth of the costs associated with the delivery of quality education and the creation of knowledge through research. In collaboration with the Council on Post Secondary Education (COPSE) and the other universities and colleges in the Province, a system-wide method of calculating program costs has been developed to support analysis of tuition fees and program costs, and these in turn allow calculation of the proportion of program costs covered by tuition fees. For the University of Manitoba undergraduate programs, the range of costs covered by the tuition fee varies by program. Based on a cost analysis using fiscal 2001-2002 data, the coverage is 20% or less for six programs, 21% to 30% in five programs and in the remaining nine programs the costs covered by tuition fees is between 31% to 55% (**Table 3**).

Table 3(a)
Tuition Fees Per Credit Hour as Compared to Program Costs Per Credit Hour
2001-2002

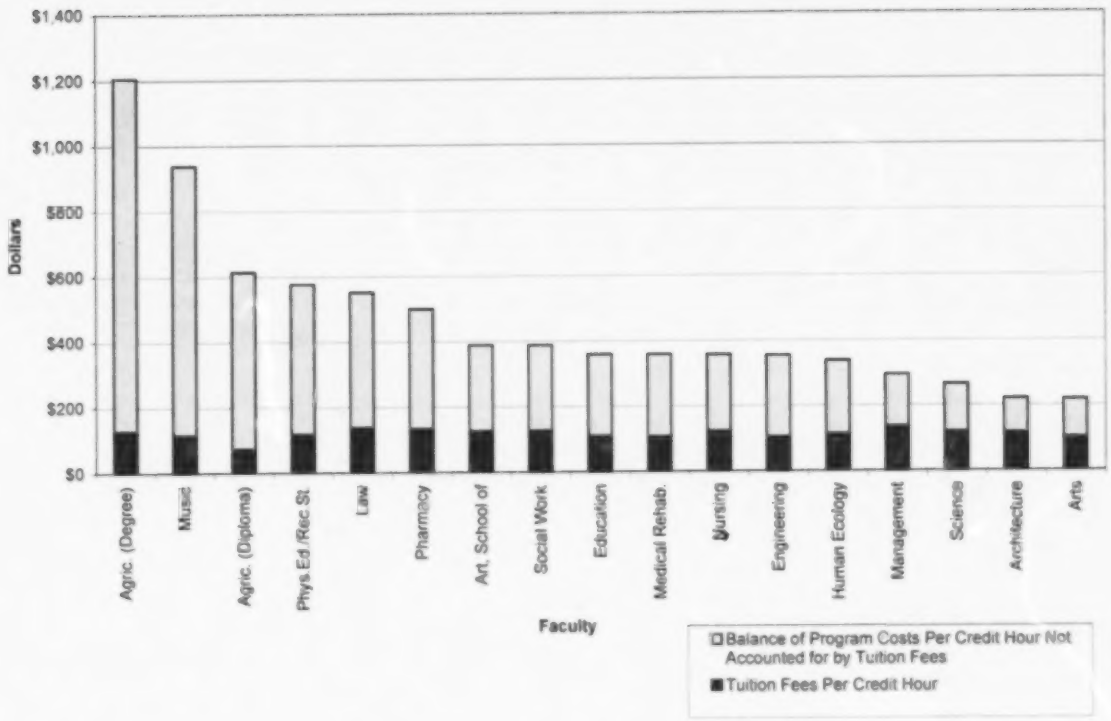
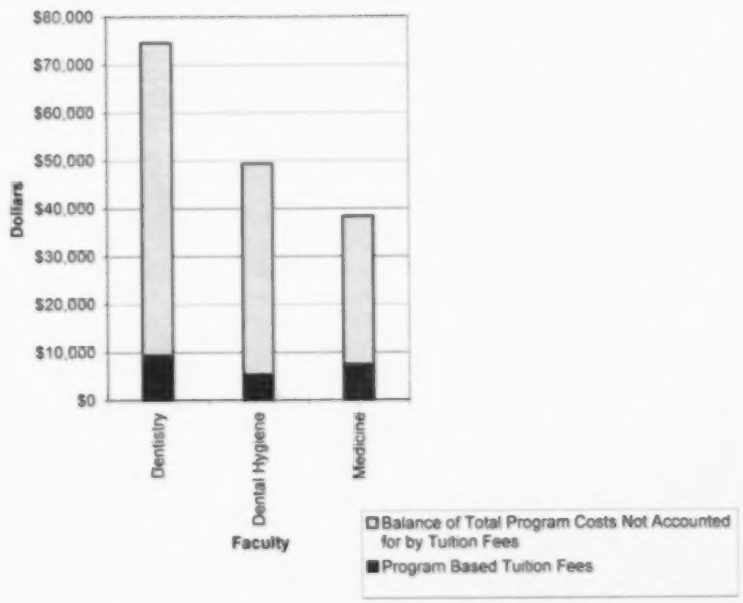
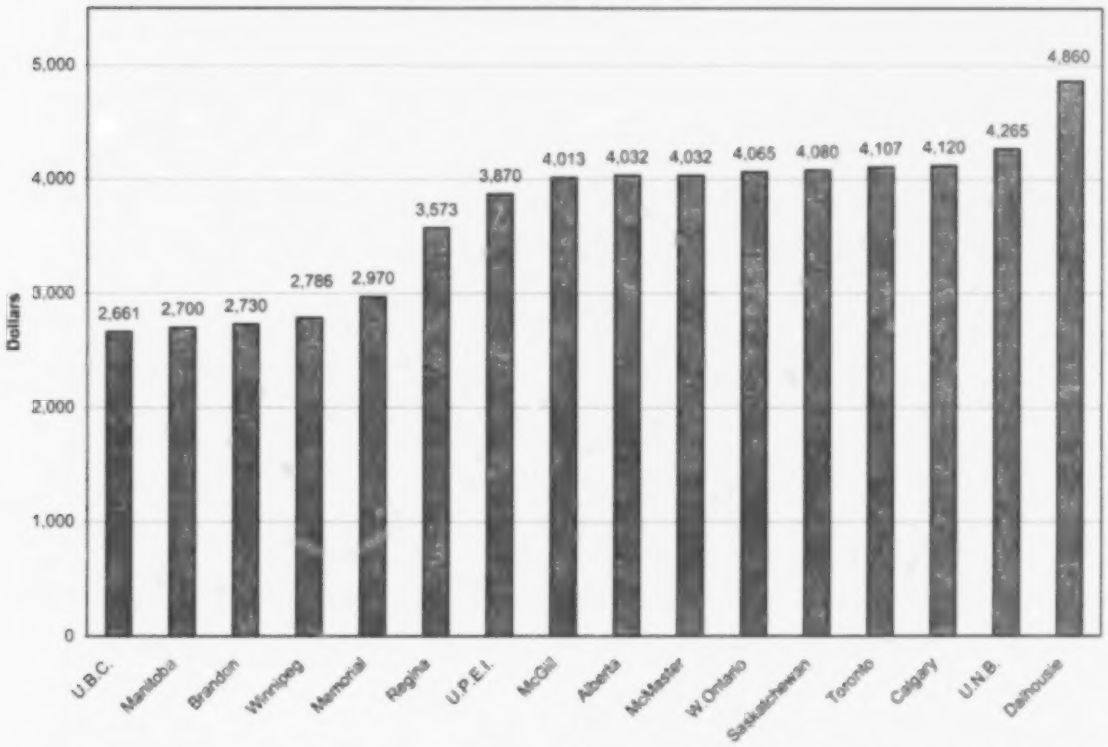


Table 3(b)
Tuition Fees as Compared to Total Program Costs
(Fees Assessed on a Program Basis Only)
2001-2002



In support of the principle that university education should be within reach of every young person who meets the academic entrance requirements, the University of Manitoba continues to administer the Provincial freeze on tuition fees. Exceptions are made only in cases that comply with the Provincial criteria for fee increase approval. These criteria include addressing issues relating to accessibility, the Manitoba labour market, graduation rates, program cost and finally, evidence of support from the student constituency. In comparative analysis of undergraduate tuition fees for Arts Programs of selected Canadian universities for the 2002-2003 year, University of Manitoba has the second lowest tuition fee (**Table 4**), and is expected to be the lowest for 2003-2004.

Table 4
Comparative Undergraduate Tuition Fees[1]
Arts Programs of Selected Canadian Universities
2002-2003 Academic Year
(30 Credit Hours of Arts Courses)



1. The fees for the University of Manitoba, the University of Brandon and the University of Winnipeg reflect the 10% rebate from the Manitoba government.

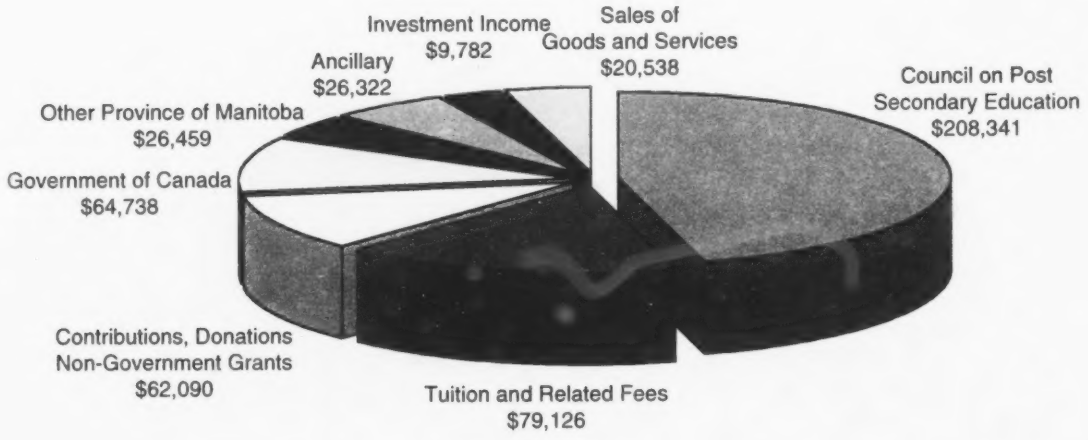
In addition to the tuition fee freeze, the Province of Manitoba, through COPSE, continued to offer a 10% rebate of tuition fee for students during fiscal 2002–2003 amounting to $7.2 million. During this same period, the University expenditure in Scholarships, Bursaries, Prizes and Awards totaled $7.6 million.

The University of Manitoba is a leader in reporting on student retention and graduation outcomes. Over the years, the University has participated in the Consortium for Student Retention Data Exchange in order to benchmark its performance with other institutions. These and other performance results can be found on the website at: http://www.umanitoba.ca/admin/institutional_analyisis. The University of Manitoba along with the other Manitoba universities is working collaboratively with COPSE to develop system wide indicators on the rates of student graduation and retention. The first round of data will include the results of the May 2003 convocation and will be compiled and reported upon by COPSE.

Investing in the University of Manitoba

For fiscal 2002-2003, COPSE grants to the University of Manitoba increased by $2.6 million for a total of $208.3 million. The funds provided by COPSE are essential to sustain the University operations and account for 42% of Total Fund Revenue ($497.4 million, Total Fund Revenue - **Table 5**).

Table 5
Total Revenue - All Funds
(General Operating $336.5M; Restricted $151.3M; Endowment $9.6M)
March 31, 2003
(in thousands of dollars)



Increased funding from COPSE includes increases in the amount of the 10% rebate for tuition fees, increase in the operating grant of 1.7% to support operating cost increases and an increase to grants for special program initiatives approved through COPSE. Other Province of Manitoba revenues, which for the most part relates to specific research and education priorities, account for 5.3% of Total Fund Revenue.

Other key contributors to the revenues of the University of Manitoba include our large community of local, national and international supporters through donations, contributions and grants (12.4% of Total Fund Revenue). The Government of Canada (13% of Total Fund Revenue) represents primarily contributions to specific research projects from the federal granting councils. In addition, the University generates investment income (2.0% of Total Fund Revenue) from the investment of funds and generates revenues from support services offered through its ancillary enterprises (5.3% of Total Fund Revenue). The sale of various goods and services (4.1% of Total Fund Revenue) generates revenues for several faculties.

For fiscal 2002-2003, the University experienced a 10.5% increase in Total Fund Revenue from the various sources noted above ($497.4 million from previous year $450.0 million). This increase is largely attributed to the growth in capital funds from non-government sources, to significant increases in Government of Canada funding and to funds from the Province of Manitoba in addition to the COPSE grants.

During fiscal 2002-2003, the University of Manitoba continued to pursue its goal of raising $200 million through its capital campaign, "Building on Strengths" by December 2003. As at March 31, 2003, $183 million had been pledged and there is confidence that the target will be met. In fact, the plan is to continue the campaign beyond the achievement of the $200 million goal in order to ensure that internal campaign goals, necessary to support strategic initiatives, are met. The success of the campaign, will be measured by the quantum of the funds raised and also by the funds being designated to targeted initiatives of the University. **Table 6, Building on Strengths Campaign**, depicts performance to date in meeting specific project goals set for the campaign.

University Operations

General Operating Fund

The University operating budget for 2002-2003 together with a comparative summary statement of operations is included at **Table 7, General Operations**. Revenues are shown by source and expenditures by function to provide a general overview of the revenue and expenditure activities of the General Operating Fund. Total operating revenues increased by $16.5 million (5.2%) over the previous fiscal year. Most of this increase is attributed to increases in COPSE funding, increased tuition fee revenue relating to student enrolment growth and funding relating to the Federal Government Indirect Cost of Research program.

General operating expenses increased by $15.3 million during fiscal 2002-2003. This result is net of a $3.9 million saving in property taxes, attributed to the Province's commitment to phase out (except residences and commercial use space) the requirement for the University to pay property taxes on all property. This phase-out will take effect over a five-year period and will continue to have a positive impact on the University operations. For the most part, the increased operating fund expenditures relate to the cost increases of sustaining operations.

In review of the operating expenditures by function, 73% of the increased expenditure is attributable to instruction and the remaining 27% of expenditure increase to various aspects of operations including the libraries, student services, physical plant and administration. In review of the expenditures by expenditure type, 85% of the $15.3 million expenditure increase is attributed to salaries and related benefits cost increases. The remaining 15% of the $15.3 million increase relates to various items including supplies and expenses, cost of goods sold, utilities and library acquisition.

Over the course of fiscal 2002-2003 there was a net increase in academic and support staff of 115 positions. **Table 8** depicts historical comparisons of academic and support staff, demonstrating the growth experienced since 1998. People are the driving force in the overall success of the University of Manitoba and the growth trend in positions evidences the University's commitment to sustaining progress as much as fiscally sustainable.

Table 8
Historical Comparisons of Academic and Support Staff Positions
University of Manitoba 1980-2002

Notes:

1. Staff positions are FTE operating budget positions (excl. ancillary services).
2. Academic Librarians included in support staff.
3. Strategic Initiatives Process FTE's included starting in 2001/2002.

Ancillary Enterprises of the University are operated on break-even basis and for fiscal 2002-2003 they served the University community by offering affordable services in the Bookstore, Parking Services, Residences, the Pharmacy and Post Office. The Ancillary operations are required to fund all operating and capital costs of their operations, as well as support debt repayment for their capital assets, renewal of technology infrastructure and help subsidize support services offered to the campus community such as Security Services.

Table 6
Building on Strengths: Campaign for the University of Manitoba
As at March 31, 2003

Allocation	Total Pledges and Gifts	Goal	% of Goal
Institutional Priorities			
Engineering and Information Technology Complex	$14,939,942	$17,000,000	87.88%
Centre for Music, Art and Design	$3,861,882	$10,000,000	38.62%
Centre for Functional Foods and Nutraceuticals	$3,822,694	$6,000,000	63.71%
Student Support	$30,455,812	$30,000,000	101.52%
Research Fund	$5,281,037	$10,000,000	52.81%
Libraries	$5,793,097	$10,000,000	57.93%
Libraries - Gifts in Kind	$1,171,377		
I.H. Asper School of Business Endowment	$18,675,979	$30,000,000	62.25%
Teaching and Technology Projects	$5,241	$5,000,000	0.10%
Aboriginal Centre and Programs	$350,971	$2,000,000	17.55%
Chairs and Professorships	$11,247,455	$15,000,000	74.98%
College Support	$4,398,061	$5,000,000	87.96%
Faculty of Pharmacy Facilities	$1,020,454	$5,000,000	20.41%
Faculty/School Support	$26,157,825		
Unrestricted/Allocation/Terms to be Determined	$4,060,552		
Gifts in Kind (excluding Libraries)	$2,099,006		
Province of Manitoba	$50,000,000		

	Total Pledges and Gifts	Minimum Goal	% of Goal
Campaign Achievements	$183,341,383	$200,000,000	91.67%

Table 7
General Operations
Summary Statement
(In thousands of dollars)

	April 1, 2002 Budget	March 31, 2003 Actual	March 31, 2002 Actual
Revenue:			
Council on Post-Secondary Education grants	$ 198,834	$ 198,211	$ 194,254
Other Province of Manitoba	50	2,005	1,203
Tuition and related fees	76,133	79,126	73,713
Ancillary Enterprises	25,574	26,322	25,591
Sales of goods & services	17,374	20,538	19,396
Investment & other revenues	7,698	10,306	5,848
	325,663	336,508	320,005
Expense by Function:			
Instruction	$ 183,225	$ 206,393	$ 195,210
Physical Plant	30,242	31,098	28,166
Ancillary Enterprises	25,574	24,727	25,045
Property tax	12,774	9,051	12,990
Central Reserves*	24,089		
Administration	13,140	14,276	12,749
Student Services	12,409	13,327	11,931
Libraries	17,545	19,210	17,566
Other	6,665	7,719	6,793
	325,663	325,801	310,450
Net Revenue		10,707	9,555
Net Transfer to Other Funds		(9,959)	(9,205)
Net Increase to Fund Balance	$	$ 748	$ 350
Expense by Object Code:			
Academic salaries	$ 104,734	$ 104,968	$ 98,394
Other instruction salaries	8,727	12,551	11,280
Support staff salaries	73,458	78,059	72,755
Staff benefits	26,779	26,470	26,909
Payroll tax levy	3,983	4,157	3,868
Supplies and expenses	57,363	52,402	47,525
Ancillaries cost of goods sold	15,139	15,548	14,987
Utilities	16,137	15,580	15,305
Library acquisitions	6,569	7,015	6,437
Property tax	12,774	9,051	12,990
	$ 325,663	$ 325,801	$ 310,450

** Represents funds budgeted for distribution to units' budgets during the year for salary and contract increases and other centrally funded purposes.*

Capital Asset Fund

In fiscal 2002-2003, the University invested $75.4 million in capital additions. This represents approximately a 34% increase over the previous year, mostly attributable to investment in building infrastructure. Significant projects included completion of the SmartPark Multi-Tenant Facility, completion of a renewed Medical Rehabilitation Facility, significant progress in the Arthur V. Mauro Student Residence complex and start up of the new Engineering Information Technology Complex. In addition, significant progress was made in the renewal of the University administrative systems that support the University in providing services to its community. These infrastructure renewal projects demonstrate the University's commitment to providing a high quality learning and research environment that meets the needs of students, faculty, staff and the community. **Table 9** depicts the general allocation of the $75.4 capital expenditure and general source of the funds.

Table 9
Capital Funding Expenditures 2002 / 2003
(expressed in millions)

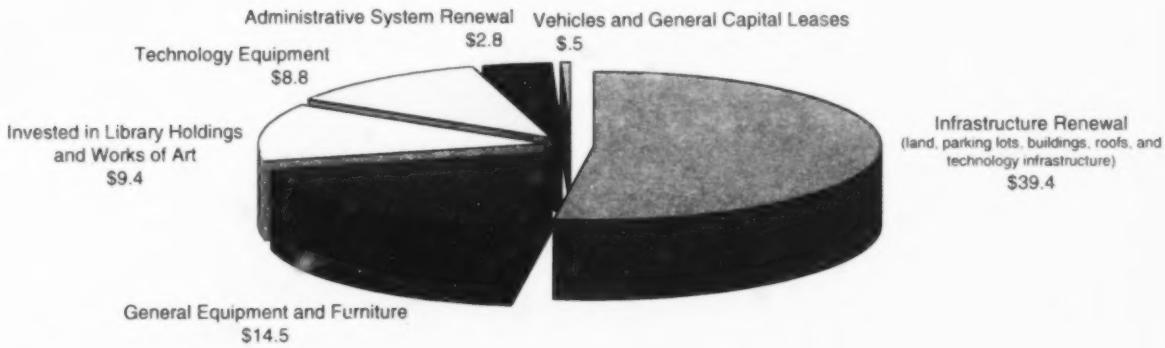
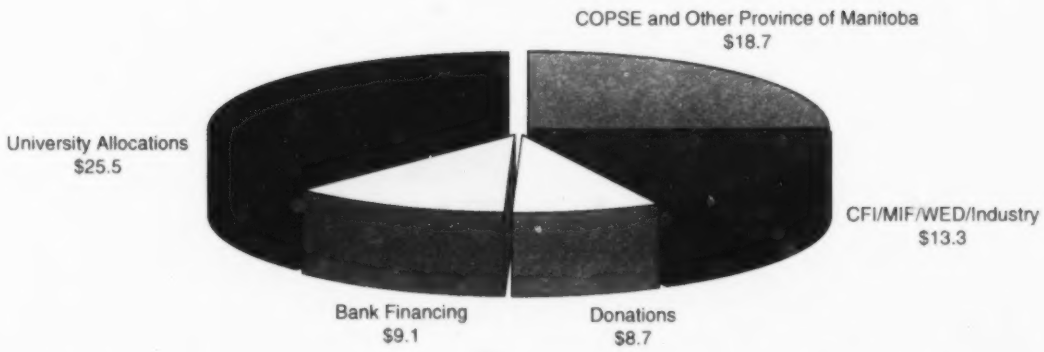


Table 9.1
Funding Sources 2002 / 2003
(expressed in millions)



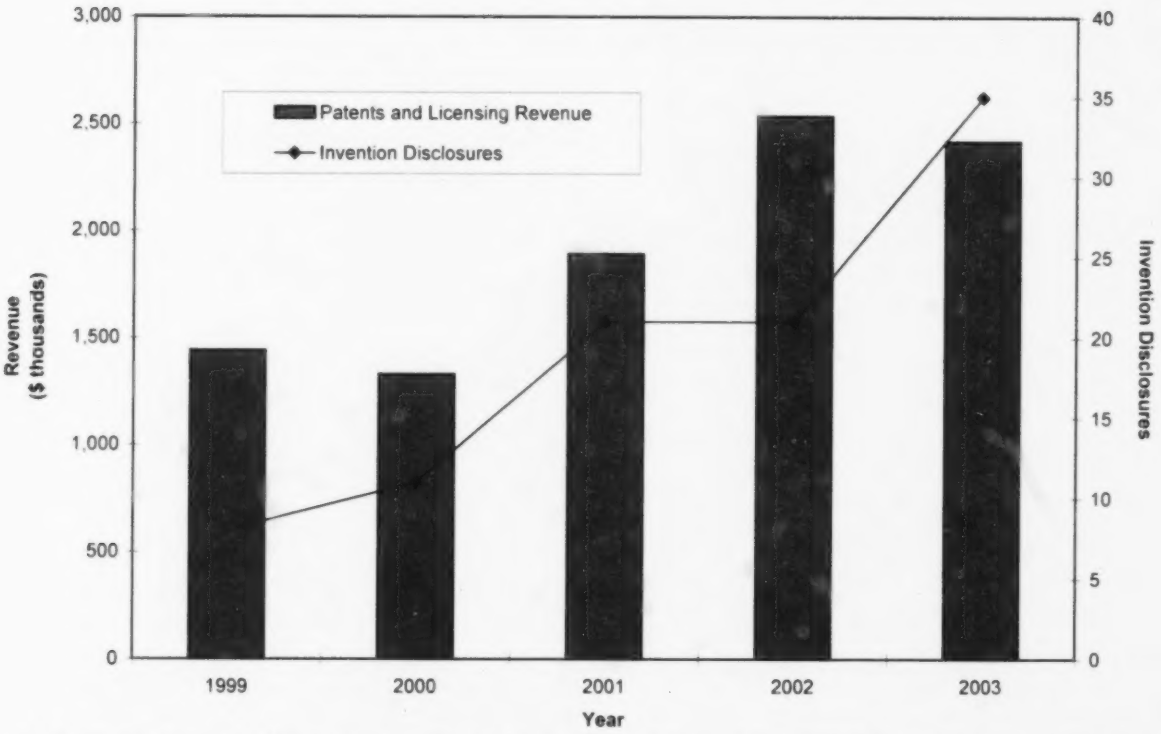
Research Fund

In fiscal 2002-2003 a total of $19.5 million was received for Special Projects in addition to the $79 million relating to Sponsored or Assisted Research for a total of $98.5 million, an 18% increase over the previous year (2001-2002 $20.7 million and $63 million respectively). Over the past several years, the growth in research activity has been exceptional. The cumulative success rate in attracting funds from the Canadian Foundation for Innovation is 60% for the University of Manitoba in the Innovation Fund (national success rate is 48%) and is 92% for the University of Manitoba in the New

Opportunities Fund (national success rate is 85%). Success in competition for these funds is essential to the University's ability to fund its research endeavors and demonstrates the quality of research undertaken by University of Manitoba researchers. Also demonstrative of research success is the growth trend experienced in the number of invention disclosures and the experience with respect to licensing revenue as depicted at **Table 10.**

Table 10

Number of Invention Disclosures and Associated Patents and Licensing Revenue
(Last 5 Years)



In support of research infrastructure renewal and readiness, the Federal government announced commitment to continue with financial support to the Indirect Cost of Research program. The University of Manitoba received $5.5 million in indirect cost support from this Federal program during fiscal 2001-2002. Indirect cost of research is accounted for within the University Operating Fund.

Conclusion

The University of Manitoba's success in serving its mission in education, research and community service translates into benefits for Manitoba. When considering indirect "spin-off" resulting from the University direct expenditures, the University contributes approximately $1 billion to the Manitoba economy annually. The StatsCan report on the 2001 national census said "The census showed clearly that the chances of making it to the top earning levels are most directly associated with educational attainment, and particularly with a university degree". In addition to the economic value to an individual, a highly educated community and workforce is the key to competing in a knowledge-based, global economy while research innovation and creativity enhances quality of life.

Increased investment in the University is the right choice for Manitoba and will result in sustaining the capacity of the University to support learning, innovation in research and community service. The University acknowledges with gratitude the Province and COPSE as well as all students, staff, alumni, and community stakeholders for their continuing support.

Respectfully submitted,
Michael W. McAdam

Michael W. McAdam

Vice-President (Administration)
University of Manitoba

UNIVERSITY
OF MANITOBA

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The University is responsible for the preparation of the consolidated financial statements and has prepared them in accordance with generally accepted accounting principles as set out by the Canadian Institute of Chartered Accountants (CICA). The University believes the consolidated financial statements present fairly the University's consolidated financial position as at March 31, 2003 and the results of its operations for the year then ended.

The University's Board of Governors is responsible for overseeing the business affairs of the University and also has the responsibility to approve the consolidated financial statements. The Board has delegated certain responsibilities to its Audit Committee including the responsibility for reviewing the annual consolidated financial statements and meeting with management and the Auditor General of Manitoba on matters relating to the financial reporting. The Auditor General has full access to the Audit Committee with or without the presence of management. The Board has approved the consolidated financial statements.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University has developed and maintains a system of internal controls designed to provide reasonable assurance that University assets are safeguarded from loss and that accounting records are a reliable basis for the preparation of consolidated financial statements. The integrity of internal controls is reviewed on an ongoing basis by Audit Services and the Auditor General.

The consolidated financial statements for the year ended March 31, 2003 have been reported on by the Auditor General of Manitoba, the auditor appointed under the University of Manitoba Act. The Auditor's Report outlines the scope of his examination and provides his opinion on the fairness of presentation of the consolidated financial statements.

Michael W. McAdam,
Vice-President (Administration).

May 30, 2003
Winnipeg, Manitoba

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITOR'S REPORT

To the Lieutenant Governor in Council
To the Legislative Assembly of Manitoba
To the Board of Governors of The University of Manitoba

We have audited the consolidated statement of financial position of The University of Manitoba as at March 31, 2003 and the consolidated statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2003 and the results of its operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Jon W. Singleton, CA•CISA
Auditor General

Winnipeg, Manitoba
May 30, 2003

CONSOLIDATED
FINANCIAL STATEMENTS

The University of Manitoba
Consolidated Statement of Financial Position
as at March 31
(in thousands of dollars)

Assets	*2003*	*2002*
Current Assets		
Cash	$ 6,862	$ 12,203
Investments (Note 3)	91,645	81,479
Accounts Receivable:		
Council on Post-Secondary Education	2,291	2,964
General	26,690	22,139
Research and Special	25,696	22,750
Inventories	3,810	3,421
Prepaid Expenses	101	310
	157,095	145,266
Long Term Assets		
Investments (Note 3)	197,180	185,755
Funds on Deposit for Staff Benefits (Note 4)	30,609	31,665
Investment in Subsidiary Companies (Note 5)	93	93
Capital Assets, Net of Accumulated Amortization (Note 7)	353,536	303,536
	581,418	521,049
	$ 738,513	$ 666,315

Liabilities	*2003*	*2002*
Current Liabilities		
Accounts Payable	$ 26,594	$ 28,052
Unearned Revenue	4,409	3,962
Unfunded Staff Benefits	7,781	7,096
Construction Loan (Note 8)	7,636	
Current Portion of Capital Lease Obligations (Note 9)	257	223
Current Portion of Long Term Debt (Note 10)	345	305
	47,012	39,638
Long Term Liabilities		
Employee Future Benefits (Note 11)	51,036	55,086
Capital Lease Obligations (Note 9)	420	645
Term Loans (Note 10)	6,756	5,608
	58,212	61,339
Province of Manitoba Capital Advances (Note 10)	2,000	4,665
Less: Sinking Fund Assets on Deposit with the Province of Manitoba (Note 10)	1,958	4,490
	42	175
	58,254	61,514
Fund Balances	633,247	565,163
	$ 738,513	$ 666,315

Commitments and Contingencies (Note 16)

APPROVED BY THE BOARD OF GOVERNORS

Wayne Anderson - Chair

Terry Sargeant - Vice-Chair

(The accompanying Notes form an integral part of the Consolidated Financial Statements)

Consolidated Statement of Operations and Changes in Fund Balances
for the years ended March 31
(in thousands of dollars)

	General Funds (Note 2e)	*Restricted Funds (Note 2f)*	*Endowment Fund (Note 2g)*	*2003 Total Funds*	*2002 Total Funds*
Revenue:					
Tuition and Related Fees	$ 79,126	$	$	$ 79,126	$ 73,713
Contributions, Donations, Non-Government Grants	540	50,789	9,602	60,931	46,487
Investment Income	2,590	7,192		9,782	12,253
Miscellaneous Income	1,078	81		1,159	1,798
Government Grants:					
Council on Post-Secondary Education	198,211	10,130		208,341	205,769
Other Province of Manitoba	2,005	24,454		26,459	18,702
Government of Canada	6,098	58,640		64,738	46,243
Sales of Goods and Services	20,538			20,538	19,396
Ancillary Enterprises	26,322			26,322	25,591
	336,508	151,286	9,602	497,396	449,952
Expense:					
Academic	182,982	84,988		267,970	246,238
Libraries	11,897	60		11,957	10,744
Student Services	13,081	560		13,641	12,210
Administration	13,822	1,728		15,550	13,656
Plant Maintenance	28,498	11		28,509	27,050
Other Academic Support	16,808	431		17,239	17,260
General	7,688	3,028		10,716	10,184
Property Taxes	9,051			9,051	12,990
Scholarships, Bursaries, Prizes and Awards		7,621		7,621	7,946
Interest on Bank Loan, Capital Advances and Capital Lease Obligations		797		797	1,085
Amortization of Capital Assets		25,418		25,418	22,471
Ancillary Enterprises	23,869			23,869	23,134
Staff Benefits & Early Retirement Provision	(3,026)			(3,026)	(85)
	304,670	124,642		429,312	404,883
Net Revenue	31,838	26,644	9,602	68,084	45,069
Inter-Fund Transfers	(13,023)	11,570	1,453		
Net Increase to Fund Balances	18,815	38,214	11,055	68,084	45,069
Fund Balances Beginning of the Year	(4,168)	495,734	73,597	565,163	520,094
Fund Balances End of the Year	$ 14,647	$ 533,948	$ 84,652	$ 633,247	$ 565,163
Unrestricted Funds	$ (38,614)	$	$	$ (38,614)	$ (47,124)
Internally Restricted Funds	53,261	27,788		81,049	69,532
Externally Restricted Funds		161,773	84,652	246,425	234,535
Invested in Capital Assets		344,387		344,387	308,220
	$ 14,647	$ 533,948	$ 84,652	$ 633,247	$ 565,163

(The accompanying Notes form an integral part of the Consolidated Financial Statements)

Consolidated Statement of Operations and Changes in Fund Balances for the General Funds for the years ended March 31 (in thousands of dollars)

	General Operating Fund (Note 2e)	*Specific Provisions Fund (Note 2e)*	*Expenses Funded From Future Revenues (Note 2e)*	*2003 Total General Funds*	*2002 Total General Funds*
Revenue:					
Tuition and Related Fees	$ 79,126	$	$	$ 79,126	$ 73,713
Contributions, Donations, Non-Government Grants	540			540	429
Investment Income	2,590			2,590	3,133
Miscellaneous Income	1,078			1,078	1,718
Government Grants:					
Council on Post-Secondary Education	198,211			198,211	194,254
Other Province of Manitoba	2,005			2,005	1,203
Government of Canada	6,098			6,098	568
Sales of Goods and Services	20,538			20,538	19,396
Ancillary Enterprises	26,322			26,322	25,591
	336,508			336,508	320,005
Expense:					
Academic	182,982			182,982	172,023
Libraries	11,897			11,897	10,723
Student Services	13,081			13,081	11,708
Administration	13,822			13,822	12,544
Plant Maintenance	28,498			28,498	27,028
Other Academic Support	16,808			16,808	16,816
General	7,688			7,688	6,590
Property Taxes	9,051			9,051	12,990
Ancillary Enterprises	23,869			23,869	23,134
Staff Benefits & Early Retirement Provision	(3,026)			(3,026)	413
	304,670			304,670	293,969
Net Revenue	31,838			31,838	26,036
Net Increase in Expenses to be Funded From Future Revenues	(7,762)		7,762		
Inter-Fund Transfers	(23,328)	10,305		(13,023)	(13,332)
Net Increase to Fund Balances	748	10,305	7,762	18,815	12,704
Fund Balances Beginning of the Year	955	42,956	(48,079)	(4,168)	(16,872)
Fund Balances End of the Year	$ 1,703	$ 53,261	$ (40,317)	$ 14,647	$ (4,168)
Unrestricted Funds	$ 1,703	$	$ (40,317)	$ (38,614)	$ (47,124)
Internally Restricted Funds		53,261		53,261	42,956
	$ 1,703	$ 53,261	$ (40,317)	$ 14,647	$ (4,168)

(The accompanying Notes form an integral part of the Consolidated Financial Statements)

Consolidated Statement of Operations and Changes in Fund Balances for the Restricted Funds for the years ended March 31 (in thousands of dollars)

	Capital Asset Fund (Note 2f)	*Research and Special Fund (Note 2f)*	*Staff Benefits Fund (Note 2f)*	*Trust Fund (Note 2f)*	*2003 Total Restricted Funds*	*2002 Total Restricted Funds*
Revenue:						
Contributions, Donations, Non-Government Grants	$ 6,718	$ 35,261	$ 919	$ 7,891	$ 50,789	$ 39,958
Investment Income	244		1,057	5,891	7,192	9,119
Miscellaneous Income			26	55	81	80
Government Grants:						
Council on Post-Secondary Education	10,130				10,130	11,515
Other Province of Manitoba	9,602	14,852			24,454	17,499
Government of Canada	10,173	48,467			58,640	45,675
	36,867	98,580	2,002	13,837	151,286	123,846
Expense:						
Academic		84,988			84,988	74,215
Libraries		60			60	21
Student Services		560			560	502
Administration		1,728			1,728	1,112
Plant Maintenance		11			11	22
Other Academic Support		431			431	444
General		15	2,185	828	3,028	3,572
Scholarships, Bursaries, Prizes and Awards				7,621	7,621	7,946
Interest on Bank Loan, Capital Advances and Capital Lease Obligations	797				797	1,085
Amortization of Capital Assets	25,418				25,418	22,471
Staff Benefits & Early Retirement Provision						(498)
	26,215	87,793	2,185	8,449	124,642	110,892
Net Revenue (Expense)	10,652	10,787	(183)	5,388	26,644	12,954
Inter-Fund Transfers	25,515	(5,036)	(5,271)	(3,638)	11,570	12,192
Net Increase (Decrease) to Fund Balances	36,167	5,751	(5,454)	1,750	38,214	25,146
Fund Balances Beginning of the Year	308,220	55,179	17,562	114,773	495,734	470,588
Fund Balances End of the Year	$ 344,387	$ 60,930	$ 12,108	$ 116,523	$ 533,948	$ 495,734
Internally Restricted Funds	$	$	$ 5,422	$ 22,366	$ 27,788	$ 26,576
Externally Restricted Funds		60,930	6,686	94,157	161,773	160,938
Invested in Capital Assets	344,387				344,387	308,220
	$ 344,387	$ 60,930	$ 12,108	$ 116,523	$ 533,948	$ 495,734

(The accompanying Notes form an integral part of the Consolidated Financial Statements)

Consolidated Statement of Cash Flows
as at March 31
(in thousands of dollars)

	General Funds	*Restricted Funds*	*Endowment Fund*	*2003 Total Funds*	*2002 Total Funds*
Cash from Operating Activities:					
Excess of Revenue over Expense	$ 31,838	$ 26,644	$ 9,602	$ 68,084	$ 45,069
Amortization of Capital Assets		25,418		25,418	22,471
Income on Investment in Subsidiary Companies					(3)
	31,838	52,062	9,602	93,502	67,537
Net Change in Non-Cash Working Capital Items	(17,384)	10,044		(7,340)	3,225
Net Change in Employee Future Benefits	(8,447)	4,397		(4,050)	2,806
Net Cash Generated through Operating Activities	6,007	66,503	9,602	82,112	73,568
Investing Activities:					
Increase in Long-Term Investments		(370)	(11,055)	(11,425)	(12,772)
(Increase) Decrease in Funds on Deposit for Staff Benefits		1,056		1,056	(423)
Purchase of Capital Assets		(75,418)		(75,418)	(56,083)
Net Cash Used in Investing Activities		(74,732)	(11,055)	(85,787)	(69,278)
Financing Activities:					
Proceeds from Capital Lease Obligations		48		48	559
Proceeds from Term Loan		1,500		1,500	
Proceeds from Construction Loan		7,636		7,636	
Principal Repayment on Capital Lease Obligations		(239)		(239)	(275)
Principal Repayment on Province on Manitoba Capital Advances		(2,665)		(2,665)	(2,438)
Principal Repayment on Debentures					(158)
Principal Repayment on Term Loans		(312)		(312)	(285)
Net Cash Generated (Used) in Financing Activities		5,968		5,968	(2,597)
Net Increase (Decrease) in Cash	6,007	(2,261)	(1,453)	2,293	1,693
Inter-Fund Adjustments	(13,023)	11,570	1,453		
Cash Beginning of Year	44,765	53,407		98,172	96,479
Cash End of Year	$ 37,749	$ 62,716	$	$ 100,465	$ 98,172
Cash is defined as:					
Cash	$ 1,820	$ 5,042	$	$ 6,862	$ 12,203
Investments	35,929	55,716		91,645	81,479
Sinking Fund Assets on Deposit with the Province of Manitoba		1,958		1,958	4,490
	$ 37,749	$ 62,716	$	$ 100,465	$ 98,172

(The accompanying Notes form an integral part of the Consolidated Financial Statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

1. AUTHORITY AND PURPOSE

The University of Manitoba was established in 1877. It is governed by a Board of Governors acting under the authority of The University of Manitoba Act, R.S.M. 1987, c. U60. The University of Manitoba is a registered charity and is exempt from income taxes under Section 149 of the Income Tax Act.

The University of Manitoba, as the largest and most comprehensive institution of higher learning in Manitoba, plays a distinctive role within the Province. In addition to offering an undergraduate liberal education in arts, science and education, the University of Manitoba provides programs in a broad range of professional studies, applied sciences and the fine and performing arts and is responsible for the vast majority of graduate education and research in Manitoba. The University of Manitoba reaches out to a variety of constituencies in order to enhance the health, cultural, social and economic life of Manitobans and to provide lifelong learning opportunities for them. Through community service the University makes its expertise available to all Manitobans.

2. SIGNIFICANT ACCOUNTING POLICIES

a. General

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles as recommended by the Canadian Institute of Chartered Accountants ("CICA") for not-for-profit organizations. The University has adopted the restricted fund method of accounting for contributions.

b. Basis of Consolidation

The consolidated financial statements include the accounts of Smart Park Development Corporation, a wholly owned subsidiary of the University of Manitoba. The company has a March 31 year end and its purpose is to market and promote the development of a research park at the University of Manitoba.

c. Fund Accounting

The University classifies resources used for various purposes into separate Funds which correspond to its major activities and objectives. The Consolidated Statement of Financial Position combines the assets and liabilities of all Funds.

The University maintains its Funds under three fund categories, General, Restricted and Endowment Funds. The General Funds include the Funds for General Operating, Specific Provisions and Expenses Funded from Future Revenues. The Restricted Funds include the Capital Asset, Research & Special, Staff Benefits and Trust Funds. The Endowment Fund includes endowment funds of the University.

d. Accounting Estimates

Accounting estimates are included in financial statements to approximate the effect of past revenue or expense transactions or events, or to approximate the present status of an asset or liability. Examples include accruals for property taxes not yet assessed and the estimated useful life of an asset. It is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates.

e. General Funds

General Operating Fund:

The General Operating Fund includes the academic, administrative, operational and ancillary costs that are funded by tuition and related fees, government grants, investment and miscellaneous income, sales of goods and services to external parties and ancillary income. As such, this Fund reports unrestricted resources and restricted resources earmarked for general operating purposes.

All funds received or accrued by the University for general operating purposes and for equipment and renovation expenses not meeting the University's capitalization criteria are included in the General Operating Fund. The net cost of operating units is determined by including internal cost allocations for certain centrally administered services such as the telephone system in the units' expenses and by deducting these expenses as internal cost recoveries from the total expenses incurred by the unit administering these services.

The University Book Store, Parking, Student Residences and Pharmacy/Post Office are classified as Ancillary Enterprises and are budgeted on a break-even basis. Any surpluses or deficits are unrestricted and are maintained within

the General Operating Fund. Overhead costs have been allocated to all ancillary operations. The replacement or improvement of capital assets for these ancillaries is funded by an annual appropriation to the Specific Provisions Fund. Amortization of ancillary capital assets and interest expense is recorded in the Capital Asset Fund.

Academic and administrative units also generate revenues through the sale of goods and services to individuals, companies and organizations external to the University. The revenues earned are unrestricted resources and are reflected in the General Operating Fund.

Specific Provisions Fund:

The Specific Provisions Fund records appropriations made from (to) the General Operating, Capital Asset and Research & Special Funds.

These appropriations are made to provide future funding for the replacement, improvement or emergency maintenance of capital assets, or other matters, including a fiscal stabilization provision to offset potential spending in excess of future budgets. Such appropriations are shown as inter-fund transfers on the Consolidated Statement of Operations and Changes in Fund Balances.

Expenses Funded From Future Revenues:

Expenses Funded from Future Revenues records the amount of unpaid vacation pay for permanent non-academic staff which will be funded from future revenues. It also records the actuarially determined expense for employee future benefits.

f. Restricted Funds

Capital Asset Fund:

The Capital Asset Fund consists of restricted contributions resulting from capital asset co-funding arrangements with external parties, contributed capital assets, sinking fund investment income and government grants, restricted for the purpose of acquiring capital assets and retiring capital advances. Expenses include interest on debt relating to the acquisition or construction of capital assets, amortization and gains or losses on disposal of capital assets, including write downs resulting from obsolescence.

Research and Special Fund:

The Research and Special Fund consists of contributions specifically restricted for research or other special activities. Contributions are provided from both federal and provincial granting agencies and other public and private sources. These funds are spent in accordance with the conditions stipulated in the governing contracts and agreements.

Staff Benefits Fund:

The Staff Benefits Fund is divided into Fund Accounts for Pension Reserve, Self-Insured Plans and Benefit Reserve, the revenues of which are restricted for the purposes noted.

(i) Pension Reserve:

This Fund Account is restricted for special payments towards any unfunded liability of The University of Manitoba Pension Plans (1970) and (1993) and other pension obligations.

(ii) Self-Insured Plans:

This Fund Account records the assets and liabilities for two self-insured benefit plans, the Long-Term Disability Income Plan and the Dental Plan. The Long Term Disability Income Plan is used for long term disability payments arising on and after June 1, 1981 for eligible staff. The Plan contains two funds, one for the payment of Basic Benefits and another for the payment of Cost-of-Living Benefits. The Dental Plan is administered by a contracted third party. Surplus funds are held for the purpose of covering deficits which may occur in this self-insured plan.

(iii) Benefit Reserve:

This Fund Account is used for the support of current and future staff benefit programs. Experience refunds related to the group insurance plans are credited to this Fund Account. Employment Insurance premium savings resulting from the extended sick leave coverage provided by the University are also credited to this Fund Account.

Trust Fund:

The Trust Fund records gifts and bequests received which may be used in their entirety along with net investment income earned on these funds, according to donor restrictions. The majority of these funds are used for scholarships, bursaries, awards, loans, and other scholarly activities.

g. Endowment Fund

The Endowment Fund records gifts and bequests received with the stipulation that these funds be invested in perpetuity and the income earned be utilized for designated purposes. In certain cases, the donor requires that a portion of the current investment income also be capitalized. As such, these funds are added to the capital account of the endowment.

h. Revenue Recognition

Restricted contributions relating to general operations are recognized as revenue of the General Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted Fund when received.

Unrestricted contributions, including sales of goods and services and ancillary revenues, are recognized as revenue of the General Operating Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income earned on temporary surplus funds, with the exception of trust and endowment funds, is recorded as unrestricted income in the General Operating Fund.

Contributions for endowment purposes are recognized as revenue in the Endowment Fund in the year received. Investment income earned on endowments is recorded in the appropriate Fund depending on the restrictions imposed by the original donor.

i. Contributed Materials and Services

Gifts-in-kind for materials other than capital assets are recorded in the consolidated financial statements to the extent that they are eligible for an official donation receipt, since this results in the capture of the information in the University's financial records.

Because of the difficulty involved in tracking and recording contributed services, however, the market value of these services are not recognized in the consolidated financial statements. Contributed services include activities such as membership on the University's Board of Governors and its various committees, lecturing services and volunteer services at fund-raising or sporting events all of which are performed by staff, students and the community at no charge to the University. These services, although not recognized in the consolidated financial statements, are critical to the successful functioning of the University.

j. Investments

Temporary surplus cash is invested in the short term money market.

Trust and endowment funds are invested in either the University Investment Trust ("UIT") or the Specific Trusts. The UIT is pooled for investment purposes. Within the UIT individual capital accounts are unitized, in order to improve the protection of the real value of capital balances against inflation and to facilitate the equitable distribution of income based on the number of units. A new market value per unit is determined monthly. Capital contributions and withdrawals are based on the current market value per unit. Trust and endowment funds held in the UIT are invested in fixed income securities and in the equity markets. These investments are professionally managed and held in the custody of an independent company. The Specific Trust funds are not pooled, but are invested individually in fixed income securities.

Staff benefits funds are invested in pooled funds in the fixed income securities and equity markets. These investments are professionally managed and held in the custody of an independent company. Income, including realized gains and losses, is recognized on the accrual basis, net of administrative costs.

All investment income is recorded on an accrual basis. Realized gains on sales of investments are recognized in the year of disposal. Losses are recognized in the year of disposal or when there is a loss in value of the investment that is deemed to be other than temporary.

k. Pledges Receivable

The University does not record pledges receivable in its consolidated financial statements. Revenue from gifts, bequests and donations is recognized on a cash basis because of the uncertainty surrounding collection and in some instances because of the difficulty in determining the valuation of pledges receivable. The University recognizes gifts and donations to be received through the University of Manitoba Foundation U.S.A. Inc. only when the Board of Directors of the Foundation have formalized the transfer with a resolution, collectibility is reasonably assured and the valuation of these gifts and donations can be reasonably determined.

l. Inventories

Inventories have been valued at the lower of cost and replacement cost.

m. Capital Assets

Purchased capital assets are recorded at cost. Capital assets which are constructed by the University are recorded as Construction in Progress until the capital asset is put into use. Contributed capital assets are recorded at market value at the date of contribution. Intangibles such as patents and copyrights are recorded at a nominal amount of one dollar in the year the patent or copyright is obtained.

Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Buildings and Major Renovations	25-50 years
Computer Hardware, Software and Electronics	5-10 years
Library Books	10 years
Furniture and Equipment	10 years
Parking Lots	20 years
Vehicles	5 years

Equipment acquired under a capital lease is amortized over the term of the lease. Works of art, treasures, rare books and manuscripts are not amortized. Capital assets acquired or constructed and put into use during the fiscal year are amortized at one-half of the applicable rate.

n. Collections

The University holds a number of collections which have been donated to its libraries, faculties and schools over the years. The library, faculty or school receiving the donation assumes responsibility for safeguarding and preserving the collection. The University seldom, if ever, disposes of its collections or of individual pieces in its collections and therefore does not have a formal policy with respect to the use of proceeds of disposal. However, the University abides by all restrictions placed by donors at the time a donation is received, which may include restrictions imposed relating to the sale of a collection or items contained therein.

The University's policy with regard to its collections is to fund maintenance expenses from the General Operating Fund, if monies are not available for such purposes in a Restricted Fund. The cost of maintenance is not tracked and is therefore not determinable.

o. Pension Costs

The cost of pension benefits earned by employees who are members of the University of Manitoba Pension Plan (1970) and the University of Manitoba Pension Plan (1993) is determined actuarially using the projected unit credit actuarial cost method and management's best estimate of expected plan investment performance, salary escalation and retirement ages of employees. Pension costs for The University of Manitoba GFT Pension Plan (1986) are based on the contributions required of the University by that Plan.

p. Financial Instruments

The financial instruments at the University consist of cash, short term investments, accounts receivable, long term investments, accounts payable and long term debt. Unless otherwise noted, it is management's opinion that the University is not exposed to significant interest, currency, market or credit risks arising from these financial instruments. The fair values of these instruments approximate their carrying values, unless otherwise disclosed.

q. Employee Future Benefits

The University accrues its obligations for employee future benefit plans relating to health, dental, long term disability and group life insurance. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

r. Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate. Revenues and expenses are translated at exchange rates on the transaction dates. Gains or losses arising from these translations are included in earnings.

(in thousands of dollars)

3. INVESTMENTS

The fair values and book values of investments as at March 31 are:

	2003 Fair Value	2003 Book Value	2002 Book Value
General, Research & Capital			
Bankers Acceptance and Bearer Deposit Notes	$ 91,645	$ 91,645	$ 81,479
Trust & Endowment			
Bankers Acceptance, Guaranteed Investment Certificates and Cash	$ 14,261	$ 14,261	$ 12,486
Bonds and Other Fixed Income Securities:			
Government of Canada	15,474	15,550	20,165
Province of Manitoba	3,320	3,331	877
Other Provincial	2,612	2,549	6,536
Municipal	2,662	2,575	2,575
Corporate	20,785	19,985	20,093
Other	3,800	3,702	2,848
	48,653	47,692	53,094
Equities:			
Canadian Equities	48,714	52,765	50,921
US Equities	31,518	40,772	33,628
International Equities	31,359	41,690	35,626
	111,591	135,227	120,175
	$ 174,505	$ 197,180	$ 185,755

4. FUNDS ON DEPOSIT FOR STAFF BENEFITS

The fair value and book value of investments held for Staff Benefits as at March 31 are:

	2003 Fair Value	2003 Book Value	2002 Book Value
Money Market Fund and Cash	$ 400	$ 400	$ 433
Bonds	9,874	9,327	10,993
Equities	15,201	18,144	16,993
Mortgage Fund	2,821	2,738	3,246
	$ 28,296	$ 30,609	$ 31,665
Held For:			
Pension Reserve	$ 6,921	$ 7,509	$ 7,700
Self Insured Plans	15,424	16,711	16,367
Benefit Reserve	5,951	6,389	7,598
	$ 28,296	$ 30,609	$ 31,665

5. INVESTMENT IN SUBSIDIARY COMPANIES

University of Manitoba Research Ltd., incorporated under the Manitoba Corporations Act, is a wholly-owned subsidiary of the University. University of Manitoba Research and Development Corporation is a wholly-owned subsidiary of University of Manitoba Research Ltd. Both subsidiary companies have a March 31 year end and were inactive during the 2002/03 fiscal year. The consolidated net income (loss) of University of Manitoba Research Ltd. is recorded in the Research and Special Fund in the Consolidated Statement of Operations and Changes in Fund Balances.

Small Business Law Clinic (MB) Inc. is a wholly-owned not-for-profit corporation without share capital. The purpose of the corporation is to operate a clinic, whereby students from the Faculty of Law may develop skills that are prerequisite to a successful solicitor-client relationship and in the process, assist community-based entrepreneurs and small business owners by dispensing legal information at a nominal cost. The company is exempt from income taxes under Section 149 of the Income Tax Act.

6. ECONOMIC INTEREST IN RELATED ENTITIES

a. The University of Manitoba Foundation U.S.A. Inc.

The University has an economic interest in the University of Manitoba Foundation U.S.A. Inc. ("the Foundation") which is an Illinois Not-For-Profit Corporation incorporated in December 1989. The Foundation's purpose is exclusively charitable, literary, scientific and educational and its activities include the promotion, encouragement, aid and advancement of higher education, research and training in the Province of Manitoba, in Canada and elsewhere. The

Foundation is exempt from U.S.A. Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code.

The Board of Directors of the Foundation is an independent board whose members direct and guide the Foundation's actions. Members on the Board include, among others, certain senior staff of the University of Manitoba. The University of Manitoba, however, is one of many universities eligible to receive aid from the Foundation. The University must make application to the Foundation's Board of Directors to request funds, which may or may not be granted. The University's economic interest therefore is beneficial, as gifts and donations which are solicited by the Foundation may be transferred to the University of Manitoba from time to time.

b. Biovar Life Support Inc.

The University has a 25% interest in Biovar Life Support Inc. ("Biovar") which is a profit-oriented company. Biovar has a June 30 year end. The University accounts for its investment in Biovar utilizing the cost method as it does not have significant influence in the management and/or direction of the company.

7. CAPITAL ASSETS, NET OF ACCUMULATED AMORTIZATION

	2003			2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 9,873	$	$ 9,873	$ 9,800
Buildings and Major Renovations	317,984	94,625	223,359	205,223
Construction in Progress	18,342		18,342	3,656
Library Books	101,442	70,914	30,528	26,224
Rare Books and Manuscripts	3,688		3,688	3,554
Works of Art	800		800	784
Computer Hardware, Software and Electronics	89,299	67,351	21,948	17,755
Furniture and Equipment	107,720	65,704	42,016	33,321
Vehicles	5,524	4,247	1,277	1,308
Parking Lots	1,338	131	1,207	1,173
Assets Under Capital Lease	3,239	2,741	498	738
	$ 659,249	$ 305,713	$ 353,536	$ 303,536

8. CONSTRUCTION LOAN

The construction loan represents a Bankers Acceptance with an all-in interest rate of 3.45%, maturing on June 27, 2003. Upon completion of the construction of the Arthur V. Mauro Student Residence, the construction loan will be converted to long term debt using Bankers Acceptances hedged with an interest rate swap.

Prior to year end, the University entered into a 25 year forward interest rate swap agreement whereby the University has fixed an all-in interest rate on a long term loan facility for the Arthur V. Mauro Student Residence. The effective date of the interest rate swap agreement is September 1, 2003 and the University will begin making monthly blended principal and interest repayments at a fixed rate of 5.92% beginning on October 1, 2003.

The University's exposure to interest rate risk is managed through the use of this swap agreement. The stamping fee rate is fixed until September 1, 2013, while the swap rate is fixed until September 1, 2028. The long term loan will be amortized for 25 years.

9. CAPITAL LEASE OBLIGATIONS

Minimum lease payments which includes principal and interest under the capital lease obligations are as follows:

2004	$ 293
2005	188
2006	178
2007	85
Total Minimum Lease Payments	744
Less: Interest at 6.3%	(67)
	677
Less: Current Portion	(257)
	$ 420

10. LONG TERM DEBT

	2003	2002
Term Loans:		
University Parkade, 6.51%, due July 30, 2004	$ 3,597	$ 3,718
University Parkade, Prime less .75%, due August 1, 2019	856	908
Helen Glass Centre for Nursing, 6.75%, due November 1, 2004	1,157	1,287
*Smartpark Multi Tenant Facility, 6.05% due October 31, 2112	1,491	
	7,101	5,913
Less : Current Portion	(345)	(305)
	$ 6,756	$ 5,608

** Represents debt of Smartpark Development Corporation.*

	2003	2002
Province of Manitoba Capital Advances:		
Urgent Projects:		
5 7/8% due May 20, 2007	$ 482	$ 482
7 1/8% due July 27, 2008	706	706
6 7/8% due December 15, 2009	257	257
6 7/8% due March 31, 2011	555	555
Utility Service Tunnel - 9.3335% due March 31, 2003		2,665
	2,000	4,665
Less: Sinking Fund Assets on Deposit with the Province of Manitoba	(1,958)	(4,490)
	$ 42	$ 175

The fair value of Sinking Fund Assets at March 31, 2003 is $1,886 (2002, $4,416).

Principal repayments on long term debt payable over the next five years are as follows:

	Term Loans	Capital Advances	Total
2004	$ 345	$	$ 345
2005	4,570		4,570
2006	83		83
2007	85	482	567
2008	87	706	793
Thereafter	1,931	812	2,743
	$ 7,101	$ 2,000	$ 9,101

11. EMPLOYEE FUTURE BENEFITS

The University of Manitoba provides certain health, dental, and group life benefits for its retired employees and long term disability benefits for current employees.

The current year benefit income for existing and future retirees of the University is $2,032 (2002, expense of $5,035). This income includes a curtailment gain of $11,743 offset by losses of $3,113. The curtailment gain is a result of plan changes that now require retirees to pay for a portion of the premiums and changes to eligibility of retirees for basic extended life, health, and dental benefits.

The accrued benefit obligation relating to these defined benefit plans is $51,036 as at March 31, 2003 (2002, $55,086). The plan assets relating to these defined benefit plans is $18,719 as at March 31, 2003 (2002, $18,848). The type of assets held are disclosed in note 4.

In the current year, expected claims for extended health and dental benefits were based on the actual rates in effect as of April 1, 2002. Claims cost for extended health benefits were assumed to increase at an annual rate of 8% for the next 8 years and at a rate of 5% thereafter. Claims cost for dental benefits were assumed to increase at an annual rate of 6% for the next 3 years and at an annual rate of 4% thereafter. Group life benefits are expected to increase at a rate of 2.5% per annum. Further, in measuring the University's accrued benefit obligation, the actuary assumed a discount rate of 6.5%.

(in thousands of dollars)

Other information about the University's defined benefit plan is as follows:

Employer contribution	$ 2,768
Employees' contributions	$ 906
Benefits Paid	$ 4,241
Expected return on plan assets	6.50%

12. INTER-FUND ADVANCES AND LOANS

Inter-Fund advances and loans at March 31 are as follows:

	2003	2002
General Operating Fund:		
Due from Trust	$ 36	$ 954
Due from Capital Asset	15,663	4,168
	$ 15,699	$ 5,122
Capital Asset Fund:		
Due to Operating	$ (15,663)	$ (4,168)
Trust Fund:		
Due to Operating	$ (36)	$ (954)

13. INTER-FUND TRANSFERS

Inter-fund transfers from the General Operating Fund include $20,949 (2002, $16,039) of transfers to the Capital Asset Fund to cover the purchase of capital assets and debt servicing costs and $11,144 (2002, $11,269) of transfers to the Specific Provisions Fund to provide future funding for the replacement, improvement or emergency maintenance of capital assets, fiscal stabilization fund and for the early retirement incentive plan. The University's policy is to allow certain academic and administrative units who underspend their budgets in one year to carry over this amount for future years expenditures. As a result, inter-fund transfers also include $6,500 (2002, $1,400) to the Specific Provisions Fund to fund this carry over.

Inter-fund transfers from the Trust Fund include $1,208 (2002, $1,095) of transfers to the Research and Special Fund to cover eligible costs of research and special activities.

Inter-fund transfers from the Research and Special Fund include $4,397 (2002, $4,697) of transfers to the Capital Asset Fund to cover the purchase of capital assets and $1,584 (2002, $1,699) of transfers to the General Operating Fund to cover overhead costs incurred by general operations on research and non-research contracts.

Inter-fund transfers from the Specific Provisions Fund include $1,110 (2002, $901) of transfers to the Capital Asset Fund to cover the purchase of capital assets.

14. CONTRIBUTED CAPITAL ASSETS

Contributions recognized in the Capital Asset Fund include contributed capital equipment and library books of $2,352 (2002, $862).

15. PENSION PLANS

The University of Manitoba administers the University of Manitoba Pension Plan (1970), The University of Manitoba GFT Pension Plan (1986) and The University of Manitoba Pension Plan (1993). These are trusteed pension plans. The Trustees are responsible for the custody of the Plans' assets and issuance of annual financial statements, which do not form part of the University's financial statements.

The University of Manitoba Pension Plan (1970) and University of Manitoba Pension Plan (1993) are both money purchase plans with a defined benefit minimum. The funding for the plans requires a matching contribution from the University and the employees. The surplus from the Plans and the matching contribution is adequate to fund the Plan and the current level of funding satisfies the requirements of the Manitoba Pensions Benefit Act.

The actuarial present value of accrued pension benefits has been determined using the projected unit credit actuarial cost method, and assumptions developed by reference to expected long-term market conditions. An actuarial valuation effective December 31, 1999 was completed in 2000 by Eckler Partners Ltd., a firm of consulting actuaries. The

results of this valuation have been extrapolated by Eckler Partners Ltd. to December 31, 2002. As at December 31, 2002, the University of Manitoba Pension Plan (1970) and The University of Manitoba Pension Plan (1993) were in an actuarial surplus of $774 (2001, $737) and $4,448 (2001, $23,282), respectively. The University cannot access this surplus and as a result, no asset has been recorded.

The actuarial present value of benefits as at December 31 and the principal components of changes in actuarial present values during the year, were as follows:

	2002		2001	
	1993 Plan	1970 Plan	1993 Plan	1970 Plan
Actuarial present value of accrued pension benefits at beginning of year	$ 665,110	$ 14,492	$ 623,175	$ 13,612
Interest accrued on benefits	36,561	384	55,564	1,191
Benefits accrued	22,422	1,211	20,313	1,118
Benefits paid	(36,541)	(1,300)	(33,277)	(1,915)
Actuarial gain/loss	411	1	(665)	486
Actuarial present value of accrued pension benefits at end of year	$ 687,963	$ 14,788	$ 665,110	$ 14,492

The significant long-term assumptions used in the valuation of the accrued pension benefits were a rate of return on assets of 7% per annum, a general rate of salary increase of 2.5% for the first two years and 5% thereafter, and a 6% interest assumption on the basis for converting member accumulations into annuities. However, in preparing the extrapolation the investment return used for 2002 was 2.73%, being the rates of return for those years based on the actuarial asset values.

The actuarial value of net assets available for benefits, has been determined using a five year moving average fair value method. Under this method, the fair value is the underlying basis, but capital gains and losses are amortized over a five year period.

The fair and actuarial values of net assets available for benefits as at December 31 were as follows:

	2002		2001	
	1993 Plan	1970 Plan	1993 Plan	1970 Plan
Fair value of net assets available for benefits	$ 692,411	$ 15,562	$ 737,431	$ 16,314
Fair value changes not reflected in the actuarial value of net assets			(49,039)	(1,085)
Actuarial value of net assets available for benefits	$ 692,411	$ 15,562	$ 688,392	$ 15,229

The University recognized expenses equal to its contributions of $10,806 (2002, $10,112) for the 1970 Plan and for the 1993 Plan for the year ended March 31, 2003. Employee contributions matched the employer contributions.

The next full actuarial valuation of the Plans will be effective December 31, 2003 and will be completed in 2004.

The University of Manitoba GFT Pension Plan (1986) is a defined contribution pension plan, therefore, there is no requirement for an actuarial valuation of this Plan. The University's contributions to this Plan were $1,573 in 2003 (2002 $1,530).

The University approved amendments to the University of Manitoba Pension Plan (1993) to comply with the requirements of Canada Customs Revenue Agency (CCRA) in January 2001. In 2002 CCRA confirmed that this Plan has obtained registered status.

16. COMMITMENTS AND CONTINGENCIES

The University of Manitoba is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public liability insurance risks of its members. All members pay annual deposit premiums, which are actuarially determined and are subject to further assessment in the event members' premiums and reserves are insufficient to cover losses and expenses. No additional assessment was necessary for the current year.

Contractual commitments relating to construction in progress amount to $13,488 (2002, $7,427).

On March 31, 1997, the University of Manitoba entered into an energy performance contract with MCW Energy Reduction Services Ltd. ("MCW"). Under the terms of a Tri-Party agreement, the University has agreed to the assignment by MCW to Paribas Bank of all right, title and interest in payment of monies by the University under the energy performance contract. This agreement provides remedies to the University and Paribas in the event that MCW defaults on its obligations under the energy performance contract or receivable sale agreement. The University is contingently liable for any termination value owing to Paribas existing at the time of default by MCW. The amount of the potential liability, if any, cannot be estimated at this time.

The University of Manitoba is named as a defendant in litigations where action has commenced or is anticipated. While the ultimate outcome of these proceedings cannot be predicted at this time, management and its legal counsel are of the opinion that the outcome will not have a material effect on the financial position of the University. No provision has been made in the financial statements in respect of these claims, as of March 31, 2003.

17. COMPARATIVE FIGURES

Comparative figures for the year ended March 31, 2002 have been restated, where appropriate, to conform with the presentation adopted for March 31, 2003.

SCHEDULES (UNAUDITED)

Schedule 1 **Tuition and Related Fees**

	Undergraduate	*Graduate*	*March 31, 2003*	*Undergraduate*	*Graduate*	*March 31, 2002*
Degree Programs						
Regular Session:						
Agricultural and Food Sciences	$ 996,918	$ 294,219	$ 1,291,137	$ 1,237,930	$ 275,830	$ 1,513,760
Architecture	1,104,150	541,241	1,645,391	1,091,372	394,923	1,486,295
Arts	13,171,599	739,711	13,911,310	12,317,292	715,965	13,033,257
Continuing Education Distance Programs	2,851,251		2,851,251	2,705,105		2,705,105
Dentistry	2,158,693	189,241	2,347,934	1,802,229	95,209	1,897,438
Education	1,876,072	302,681	2,178,753	1,739,287	269,171	2,008,458
Engineering	2,501,550	638,400	3,139,950	2,524,470	531,003	3,055,473
Human Ecology	1,072,811	70,319	1,143,130	960,280	102,341	1,062,621
I. H. Asper School of Business	5,274,523	682,612	5,957,135	4,851,226	624,357	5,475,583
Interdisciplinary		39,698	39,698	5,819	26,885	32,704
Law	1,155,031	18,741	1,173,772	1,036,642	11,392	1,048,034
Medicine	3,543,133	476,969	4,020,102	3,477,221	440,642	3,917,863
Natural Resources Institute		169,627	169,627		148,178	148,178
Nursing	2,978,351	180,733	3,159,084	2,891,664	151,591	3,043,255
Pharmacy	701,393	39,541	740,934	652,293	42,870	695,163
Physical Education and Recreation Studies	1,031,658	52,501	1,084,159	1,043,985	43,157	1,087,142
School of Art	1,115,625		1,115,625	1,053,826		1,053,826
School of Music	464,706	37,541	502,247	434,808	14,772	449,580
Science	12,520,030	569,004	13,089,034	11,676,785	455,682	12,132,467
Social Work	1,079,133	235,856	1,314,989	1,100,295	230,748	1,331,043
University 1	546,411		546,411	479,602		479,602
	56,143,038	5,278,635	61,421,673	53,082,131	4,574,716	57,656,847
Summer Session:						
Agricultural and Food Sciences		4,800	4,800	286	2,954	3,240
Architecture	16,974	2,216	19,190	15,059	739	15,798
Arts	1,734,863	9,429	1,744,292	1,587,978	16,175	1,604,153
Continuing Education Distance Programs	604,127		604,127	470,738		470,738
Dentistry		738	738			
Education	171,836	4,062	175,898	220,690	7,201	227,891
Engineering	91,914	7,948	99,862	85,720	6,019	91,739
Human Ecology	116,993	1,108	118,101	110,689	1,108	111,797
I. H. Asper School of Business	657,394	19,471	676,865	523,858	24,369	548,227
Interdisciplinary		3,463	3,463			
Law	246		246			
Medicine	122,188	2,783	124,971	106,085	2,216	108,301
Nursing	735,045	1,108	736,153	689,021	1,477	690,498
Pharmacy		369	369			
Physical Education and Recreation Studies	57,005		57,005	49,808		49,808
School of Art	88,144		88,144	65,306		65,306
School of Music	31,493		31,493	47,906		47,906
Science	1,476,701	6,952	1,483,653	1,417,629	6,864	1,424,493
Social Work	369,368	10,947	380,315	293,191	7,040	300,231
	6,274,291	75,394	6,349,685	5,683,964	76,162	5,760,126
Miscellaneous Fees			1,760,641			1,489,485
Non-Degree Programs						
Continuing Education Division			6,686,171			6,540,171
Other Faculties			2,908,268			2,266,537
			$ 79,126,438			$ 73,713,166

Schedule 2 **Changes to Research and Special Fund** *(Page 1)*

	Balance March 31, 2002	*Revenue*	*Expense*	*Inter-Fund Transfers*	*Balance March 31, 2003*
Sponsored or Assisted Research:					
Government of Canada					
Social Sciences and Humanities Research Council	$ 2,137,039	$ 2,388,206	$ 2,335,648	$ (8,125)	$ 2,181,472
Canadian Institutes of Health Research	7,245,582	17,639,229	15,848,295	(40,000)	8,996,516
Canadian International Development Agency	875,563	6,591,779	4,734,419	3,889,853	6,622,776
Miscellaneous	1,510,487	2,744,729	2,675,588	(201,379)	1,378,249
Networks of Centres of Excellence	134,785	3,200,000	3,317,301		17,484
Natural Sciences and Engineering Research Council	5,939,686	12,186,213	11,664,954	(22,625)	6,438,320
	17,843,142	44,750,156	40,576,205	3,617,724	25,634,817
Province of Manitoba					
Agriculture	208,045	773,309	735,198		246,156
Health Research Initiative	3,390,538	1,452,375	673,252		4,169,661
Health Research Council	1,731,051	1,762,283	2,358,144		1,135,190
Miscellaneous	1,565,862	2,226,760	2,365,396	(50,248)	1,376,978
	6,895,496	6,214,727	6,131,990	(50,248)	6,927,985
Business and Industry	4,353,178	3,158,122	3,549,867	(57,286)	3,904,147
Foundations, Associations, etc.	7,450,311	14,668,832	13,500,986	1,353,729	9,971,886
Individuals	1,171,381	451,268	888,943	437,050	1,170,756
Manitoba Heart Foundation	394,083	771,172	903,158		262,097
National Cancer Institute of Canada	370,448	1,122,085	1,150,570		341,963
Special Projects	988,533	1,022,528	608,628	2,066	1,404,499
United States	3,860,126	6,852,823	4,806,348	(412,537)	5,494,064
	18,588,060	28,046,830	25,408,500	1,323,022	22,549,412
Sub-Total	43,326,698	79,011,713	72,116,695	4,890,498	55,112,214

Schedule 2 **Changes to Research and Special Fund** *(Page 2)*

	Balance March 31, 2002	*Revenue*	*Expense*	*Inter-Fund Transfers*	*Balance March 31, 2003*
Special Funds:					
Government of Canada:					
Health Canada	$ (23,686)	$ 2,954,699	$ 2,760,201	$ (218,005)	$ (87,193)
Miscellaneous	5,639,374	762,382	1,577,748	(4,166,366)	657,642
	5,615,688	3,717,081	4,357,949	(4,384,371)	590,449
Province of Manitoba:					
Health	1,702,629	8,450,403	8,684,933		1,468,099
Miscellaneous	30,986	187,227	179,787		38,426
	1,733,615	8,637,630	8,864,720		1,506,525
Business and Industry	275,572	162,648	192,030	21,188	267,378
Foundations, Associations, etc.	2,002,413	4,593,754	4,643,320	(373,755)	1,579,092
Individuals	1,682,633	1,354,885	1,033,349	(819,780)	1,184,389
Special Projects	541,683	1,102,583	905,460	(48,611)	690,195
	4,502,301	7,213,870	6,774,159	(1,220,958)	3,721,054
Sub-Total	11,851,604	19,568,581	19,996,828	(5,605,329)	5,818,028
Total Research and Special Funds	55,178,302	98,580,294	92,113,523	(714,831)	60,930,242
Less Capitalized Items			(4,320,822)	(4,320,822)	
		$ 98,580,294	$ 87,792,701	$ (5,035,653)	
Balance End of Year	$ 55,178,302				$ 60,930,242

Schedule 3 **Changes to Capital Asset Fund**

	March 31, 2003	*March 31, 2002*
Revenue:		
Contributions, Donations, etc.	$ 6,717,875	$ 3,066,698
Council on Post-Secondary Education	10,130,219	11,514,928
Canada Foundation for Innovation	9,228,913	2,656,604
Investment Income	243,983	204,348
Other Province of Manitoba	425,000	365,292
Province of Manitoba Innovation Fund	9,176,980	2,706,603
Western Economic Development Corporation	944,366	1,065,000
	36,867,336	21,579,473
Expense:		
Amortization of Capital Assets	25,418,472	22,470,806
Interest on Bank Loan, Capital Advances and Capital Lease Obligations	796,503	1,085,635
	26,214,975	23,556,441
Inter-Fund Transfers	25,514,803	22,182,656
Net Change in the Year	36,167,164	20,205,688
Balance Beginning of the Year	308,220,397	288,014,709
Balance End of the Year	$ 344,387,561	$ 308,220,397

Schedule 4 **Changes to Specific Provisions Fund**

	Balance March 31, 2002	*Additions*	*Deductions*	*Balance March 31, 2003*
Administrative Systems Renewal	$ 15,977,037	$ 1,429,678	$ 860,093	$ 16,546,622
Ancillary Furniture and Equipment Replacement	1,986,740	640,091	512,567	2,114,264
Building on Strengths Capital Campaign	1,837,840	735,102	1,172,942	1,400,000
Computer Equipment Replacement	1,838,721	2,272,784	1,337,215	2,774,290
Copier Replacement	509,929		115,850	394,079
Fiscal Stabilization	5,578,471	5,000,000	3,299,000	7,279,471
Parking Lot Improvements	3,014,329	1,553,274	1,286,127	3,281,476
Physical Education Equipment Replacement	125,216	44,943	1,285	168,874
Special Funding Arrangements and Unit Carry Overs	9,646,984	6,497,775	100,000	16,044,759
Special Projects & Initiatives	1,588,963	1,165,958	121,009	2,633,912
Vehicle and Other Equipment Replacement	601,552	994	229,047	373,499
Workers' Compensation Self Insurance	250,000			250,000
		$ 19,340,599	$ 9,035,135	
Balance End of Year	$ 42,955,782			$ 53,261,246

Schedule 5 **Changes to Staff Benefits Fund**

	Pension Reserve	*Self-Insured Plans*	*Benefit Reserve*	*March 31, 2003*	*March 31, 2002*
Revenue:					
Investment Income	$ 249,215	$ 618,130	$ 189,390	$ 1,056,735	$ 2,215,113
Contributions		918,826		918,826	868,083
Experience Credits		26,780		26,780	55,547
	249,215	1,563,736	189,390	2,002,341	3,138,743
Expense:					
Experience Loss			414,678	414,678	130,493
Indemnity Payments	13,943	1,443,703		1,457,646	1,483,169
Management and Administrative Service Fees	25,165	238,709	48,840	312,714	313,668
	39,108	1,682,412	463,518	2,185,038	1,927,330
Net Revenue (Expense)	210,107	(118,676)	(274,128)	(182,697)	1,211,413
Inter-Fund Transfers	(1,018,368)	(3,318,303)	(934,189)	(5,270,860)	(1,332,318)
Balance Beginning of the Year	4,871,206	5,092,702	7,597,869	17,561,777	17,682,682
Balance End of the Year	$ 4,062,945	$ 1,655,723	$ 6,389,552	$ 12,108,220	$ 17,561,777

Schedule 6 **Revenue and Expense, Ancillary Enterprises**

	Bookstore, Phamacy, Post Office	*Parking*	*Residences*	*March 31, 2003*	*March 31, 2002*
Revenue	$ 19,631,835	$ 4,059,404	$ 2,630,571	$ 26,321,810	$ 25,590,570
Expense:					
Salaries	2,512,750	368,013	1,048,197	3,928,960	3,726,240
Staff Benefits	338,318	59,210	154,962	552,490	496,542
Pay Tax Levy	54,143	7,928	24,695	86,766	73,984
Cost of Goods Sold	15,547,542			15,547,542	14,987,644
Equipment, Alterations, etc.	68,215	20,710	108,826	197,751	218,740
Supplies and Expense	925,814	1,663,994	965,967	3,555,775	3,630,808
	19,446,782	2,119,855	2,302,647	23,869,284	23,133,958
Net Revenue	185,053	1,939,549	327,924	2,452,526	2,456,612
Inter-Fund Transfers	(185,053)	(1,936,275)	(327,194)	(2,448,522)	(2,146,351)
Net Income 2003	$	$ 3,274	$ 730	$ 4,004	
Net Income 2002	$ 303,092	$ 4,892	$ 2,277		$ 310,261

Schedule 7 **Net Operating Expenditures** *(Page 1)*

	Salaries and Wages					
	Academic	*Other Instruction*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Academic Faculties						
Agricultural and Food Sciences	$ 5,524,924	$ 338,740	$ 2,943,627	$ 1,144,844	$ 188,103	$ 1,047,151
Architecture	2,800,640	172,054	736,749	453,234	80,142	541,378
Arts	19,342,588	928,901	2,938,324	2,710,617	500,527	1,560,954
Continuing Education Division	4,722,539	754,396	2,767,763	930,599	174,733	4,542,666
Dentistry	4,856,359	52,617	2,798,618	912,708	165,586	2,867,269
Education	3,740,263	351,585	927,030	591,709	108,133	800,471
Engineering	6,012,182	613,060	2,165,839	1,034,844	188,955	1,101,546
Environment	100,988		45,422	14,953	3,154	23,050
School of Art	1,519,214	4,461	209,362	209,019	37,388	196,269
Graduate Studies	133,413	2,569,876	396,194	79,880	12,144	186,347
Human Ecology	1,953,515	122,799	426,560	306,150	53,172	283,007
Law	2,032,092	102,446	349,158	275,926	53,507	240,681
I. H. Asper School of Business	5,173,185	401,751	1,514,132	797,073	151,374	1,433,525
Medicine	14,077,362	528,451	4,477,933	2,660,024	422,134	3,473,960
School of Music	1,715,073	111,645	223,526	228,435	44,234	1,012,346
Natural Resources Institute	496,286	31,070	87,398	70,862	12,688	70,672
Nursing	3,498,221	2,480,213	1,114,253	865,476	150,811	1,127,412
Pharmacy	1,366,733	23,464	307,034	206,120	36,585	222,932
Physical Education and Recreation Studies	1,497,067	122,285	222,296	218,731	39,349	247,526
Science	15,003,594	1,615,902	3,718,010	2,346,474	432,624	2,010,317
Social Work	2,776,291	63,581	674,349	451,787	76,425	606,968
University 1	153,197	40,918	381,381	73,686	12,391	165,371
	98,495,726	11,430,215	29,424,958	16,583,151	2,944,159	23,761,818
Less Capitalized Items						
	98,495,726	11,430,215	29,424,958	16,583,151	2,944,159	23,761,818
Other Academic Support						
Information Services and Technology			7,041,637	960,898	151,649	1,581,384
Institutes, Centres and Specialized Academic Units	19,840	156,839	612,789	105,102	16,793	1,159,711
Research Development	43,353	158,630	59,498	12,016	3,347	1,463,013
Staff Development Program		2,585	353	195	113	223,003
Colleges	298,617	1,187	496,733	107,694	17,167	126,643
	361,810	319,241	8,211,010	1,185,905	189,069	4,553,754
Less Capitalized Items						
	361,810	319,241	8,211,010	1,185,905	189,069	4,553,754
Libraries						
Elizabeth Dafoe Library	2,017,765	500	2,977,736	697,346	107,725	4,007,839
Agriculture Library	57,946		49,021	14,895	2,304	119,964
Architecture and Fine Arts Library	137,296		284,739	64,371	9,085	130,717
Dental Library						849
Education Library	47,932		80,726	20,667	2,772	106,094
Engineering Library	123,913		83,074	29,236	4,459	382,794
Law Library	203,695		237,220	61,510	9,498	636,017
Management Library	158,891	2,257	175,815	44,252	7,257	198,513
Medical Library	650,264		860,400	217,753	32,626	1,536,855
Music Library	69,903		70,287	17,509	3,020	40,580
Science Library	249,455		300,030	73,660	11,748	883,052
St. John's College Library	31,929		78,980	16,220	2,389	43,416
St. Paul's College Library	39,388		90,815	17,749	2,804	68,571
	3,788,377	2,757	5,288,843	1,275,168	195,687	8,155,261
Less:						
Capitalized Items						
Books & Periodicals Expensed						(7,014,570)
	3,788,377	2,757	5,288,843	1,275,168	195,687	1,140,691

		Deduct	Total Expenditure	Deduct	Net Expenditure	
Equipment Alter., Etc.	Gross Expenditure	Inter-Departmental Income	March 31, 2003	Sales of Goods & Services	March 31, 2003	March 31, 2002
$ 245,635	$ 11,433,024	$ 100,675	$ 11,332,349	$ 825,940	$ 10,506,409	$ 10,527,053
50,360	4,834,557	22,968	4,811,589	59,001	4,752,588	4,783,196
633,106	28,615,017	34,757	28,580,260	41,007	28,539,253	27,660,543
1,063,634	14,956,330	141,195	14,815,135	132,558	14,682,577	13,117,289
207,327	11,860,484		11,860,484	3,637,469	8,223,015	7,668,568
213,972	6,733,163	47,414	6,685,749	17,929	6,667,820	6,588,713
205,537	11,321,963	106,018	11,215,945	185,234	11,030,711	10,638,652
8,661	196,228		196,228		196,228	
56,240	2,231,953	1,980	2,229,973	20,630	2,209,343	2,145,223
38,145	3,415,999		3,415,999	27,000	3,388,999	2,953,637
52,576	3,197,779		3,197,779	96,313	3,101,466	2,975,787
74,151	3,127,961	9,000	3,118,961	51,408	3,067,553	2,997,631
334,814	9,805,854	89,386	9,716,468	25,398	9,691,070	8,603,499
1,004,138	26,644,002	913,467	25,730,535	1,223,650	24,506,885	22,339,096
145,456	3,480,715		3,480,715	67,588	3,413,127	2,946,314
19,763	788,739	352	788,387	2,463	785,924	690,037
269,832	9,506,218	27,410	9,478,808	5,700	9,473,108	9,117,034
110,511	2,273,379		2,273,379		2,273,379	2,109,059
100,666	2,447,920		2,447,920	4,400	2,443,520	2,267,975
1,067,780	26,194,701	359,006	25,835,695	928,014	24,907,681	23,599,870
232,716	4,882,117	63,213	4,818,904	123,959	4,694,945	4,220,434
10,202	837,146	18,684	818,462	6,252	812,210	792,412
6,145,222	188,785,249	1,935,525	186,849,724	7,481,913	179,367,811	168,742,022
(3,867,238)	(3,867,238)		(3,867,238)		(3,867,238)	(4,146,367)
2,277,984	184,918,011	1,935,525	182,982,486	7,481,913	175,500,573	164,595,655
4,736,923	14,472,491	647,925	13,824,566	375,422	13,449,144	13,796,185
58,459	2,129,533	102,452	2,027,081	1,167,996	859,085	755,498
668,923	2,408,780		2,408,780	2,357,364	51,416	(512,287)
124	226,373		226,373		226,373	213,971
36,247	1,084,288	27,098	1,057,190		1,057,190	1,061,852
5,500,676	20,321,465	777,475	19,543,990	3,900,782	15,643,208	15,315,219
(2,736,407)	(2,736,407)		(2,736,407)		(2,736,407)	(2,223,865)
2,764,269	17,585,058	777,475	16,807,583	3,900,782	12,906,801	13,091,354
462,728	10,271,639	15,881	10,255,758	511,105	9,744,653	8,777,770
	244,130		244,130		244,130	221,123
	626,208		626,208		626,208	606,075
	849		849		849	2,420
	258,191		258,191		258,191	214,058
	623,476		623,476		623,476	609,878
1,548	1,149,488	762	1,148,726	6,858	1,141,868	1,102,535
	586,985		586,985		586,985	577,306
61,457	3,359,355	5,800	3,353,555	122,035	3,231,520	2,725,534
	201,299		201,299		201,299	190,668
	1,517,945		1,517,945		1,517,945	1,551,954
	172,934		172,934		172,934	168,107
	219,327		219,327		219,327	209,483
525,733	19,231,826	22,443	19,209,383	639,998	18,569,385	16,956,911
(297,946)	(297,946)		(297,946)		(297,946)	(406,215)
	(7,014,570)		(7,014,570)		(7,014,570)	(6,436,548)
227,787	11,919,310	22,443	11,896,867	639,998	11,256,869	10,114,148

Schedule 7 **Net Operating Expenditures** *(Page 2)*

	Salaries and Wages					
	Academic	*Other Instruction*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Student Services						
Aboriginal Student Centre	$	$ 486	$ 159,292	$ 18,643	$ 3,440	$ 112,397
Alumni Association			64,105	8,298	1,381	443,263
Admissions Office			913,485	125,550	19,675	245,562
Chaplain's Office						3,249
Counselling Services	485,920	43,963	130,901	81,718	14,266	54,581
English Language Center	227,379	317,442	111,751	76,544	14,041	329,425
Financial Aid and Awards			215,961	26,684	4,649	26,879
Housing and Student life			83,494	11,529	1,798	18,079
International Centre for Students			216,552	24,445	4,661	25,202
Parent's Programs					8	13,366
Playcare Centre			109,867	15,025	2,366	8,458
Recreation and Athletics	371,643	252,844	2,330,861	320,772	63,668	1,568,867
Special Programming	106,811	170,176	697,905	134,977	21,265	286,074
Student Records Office			803,994	116,609	17,333	353,607
U.M.S.U. Special Projects						9,000
University Health Services			484,358	61,201	11,581	69,764
	1,191,753	784,911	6,322,526	1,021,995	180,132	3,567,773
Less Capitalized Items						
	1,191,753	784,911	6,322,526	1,021,995	180,132	3,567,773
Administration						
President's Office	1,010,204	12,500	2,331,190	399,094	72,237	865,457
Financial Services			2,903,619	422,707	62,989	220,121
Human Resources			2,039,048	281,871	44,008	742,308
Institutional Analysis			399,986	52,023	8,615	26,148
Audit Services			204,286	27,919	4,400	14,033
Legal Services			134,816	18,529	2,904	345,304
Office Machine Services						122,185
University Secretariat			282,082	39,993	6,077	78,777
Staff Benefits Office			506,879	75,147	10,907	158,886
Public Affairs			332,206	48,621	7,156	871,152
	1,010,204	12,500	9,134,112	1,365,904	219,293	3,444,371
Less Capitalized Items						
	1,010,204	12,500	9,134,112	1,365,904	219,293	3,444,371
Physical Plant						
Insurance						886,430
Physical Plant			12,069,367	1,821,672	259,761	1,721,387
Security			1,155,132	169,313	24,890	199,475
Utilities:						
Fuel-Fort Garry						6,985,675
Fuel-Medical and Dental						1,777,353
Light, Power and Water						4,737,284
Telephone			328,257	44,854	7,084	1,519,280
Vehicle Fleet						27,966
Waste Management			28,855	4,072	621	19,704
Worker's Compensation						339,268
Auto Fleet						
			13,581,611	2,039,911	292,356	18,213,822
Less Capitalized Items						
			13,581,611	2,039,911	292,356	18,213,822

Equipment Alter.,Etc.	Gross Expenditure	Deduct Inter-Departmental Income	Total Expenditure March 31, 2003	Deduct Sales of Goods & Services	Net Expenditure March 31, 2003	Net Expenditure March 31, 2002
$ 3,558	$ 297,816	$ 505	$ 297,311	$ 13,671	$ 283,640	$ 250,567
	517,047		517,047		517,047	462,584
21,297	1,325,569		1,325,569		1,325,569	1,262,196
	3,249		3,249		3,249	3,348
7,385	818,734		818,734	7,432	811,302	890,592
20,055	1,096,637	7,440	1,089,197	197,157	892,040	655,870
	274,173		274,173		274,173	240,258
201	115,101		115,101	3,015	112,086	115,151
8,131	278,991		278,991	30,704	248,287	265,154
	13,374		13,374		13,374	13,024
8,048	143,764		143,764	26,433	117,331	100,956
222,187	5,130,842	23,659	5,107,183	3,979,962	1,127,221	808,049
17,885	1,435,093	12,088	1,423,005	43,925	1,379,080	1,209,982
16,118	1,307,661	26,273	1,281,388		1,281,388	1,136,184
	9,000		9,000		9,000	10,000
2,905	629,809		629,809	439,341	190,468	284,826
327,770	13,396,860	69,965	13,326,895	4,741,640	8,585,255	7,708,741
(246,198)	(246,198)		(246,198)		(246,198)	(222,382)
81,572	13,150,662	69,965	13,080,697	4,741,640	8,339,057	7,486,359
192,377	4,883,059	329,155	4,553,904	80,750	4,473,154	3,824,984
90,481	3,699,917	49,164	3,650,753	54,309	3,596,444	3,350,345
147,760	3,254,995	466,745	2,788,250	3,665	2,784,585	2,638,717
10,627	497,399		497,399		497,399	421,060
22,147	272,785		272,785		272,785	233,184
1,773	503,326		503,326		503,326	489,777
428,068	550,253	433,069	117,184		117,184	(183,875)
18,532	425,461		425,461		425,461	414,535
15,148	766,967		766,967	412,536	354,431	322,352
9,679	1,268,814	569,416	699,398	10	699,388	676,418
936,592	16,122,976	1,847,549	14,275,427	551,270	13,724,157	12,187,497
(453,680)	(453,680)		(453,680)		(453,680)	(205,433)
482,912	15,669,296	1,847,549	13,821,747	551,270	13,270,477	11,982,064
	886,430		886,430		886,430	573,285
5,110,626	20,982,813	3,668,227	17,314,586	325,201	16,989,385	14,751,544
24,948	1,573,758	699,984	873,774		873,774	828,423
28,750	7,014,425	572,648	6,441,777	1,205,046	5,236,731	5,140,419
141,795	1,919,148	109,815	1,809,333	11,069	1,798,264	1,937,337
	4,737,284	466,814	4,270,470	417,208	3,853,262	3,839,873
9,329	1,908,804	2,821,739	(912,935)	39,882	(952,817)	(953,289)
20,644	48,610	75,133	(26,523)	714	(27,237)	(22,857)
903	54,155		54,155	82,186	(28,031)	3,974
	339,268		339,268	68,183	271,085	200,968
47,865	47,865		47,865		47,865	
5,384,860	39,512,560	8,414,360	31,098,200	2,149,489	28,948,711	26,299,677
(2,599,903)	(2,599,903)		(2,599,903)		(2,599,903)	(1,138,342)
2,784,957	36,912,657	8,414,360	28,498,297	2,149,489	26,348,808	25,161,335

Schedule 7 **Net Operating Expenditures** *(Page 3)*

	Salaries and Wages					
	Academic	*Other Instruction*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
General Expenditure						
125th Anniversary	$	$	$ 13,063	$ 949	$ 281	$ 36,423
Annual Giving Program			324,356	29,329	6,986	69,246
Audit Fees/Memberships						205,229
Bad Debt						460
Calendars and Registration						
Campus Beautification						286
Campus Planning Group						706
Cancopy License and Fees						144,597
Change in Vacation Pay Liability						685,300
Convocation			72,792	11,429	1,568	115,790
Employee Assistance Plan						163,410
Exchange and Bank Charges						(238,444)
External Relations	120,442		695,279	116,284	17,612	430,583
Handicapped Transport						
Miscellaneous						145,380
Ombudsman			59,940	8,819	1,291	7,897
Outreach Programs		1,710		80	37	23,073
R.G. and E.M. Knight Distinguished Visitors Program						314
Private Funding			593,808	87,698	12,791	266,029
Retiring Allowances				8,053		
Rentals						12
Executive Searches						20,682
Supplementary Health and Dental				1,195,284		
Supplementary Pensions				936,981		
Shuttle Bus						160,553
University Centre Management			380,973	49,285	8,203	285,838
United Way			2,500			3,517
Visitor Information Centre			24,667	1,733	530	11
Transfers to Other Universities						273,472
	120,442	1,710	2,167,378	2,445,924	49,299	2,800,364
Less Capitalized Items						
	120,442	1,710	2,167,378	2,445,924	49,299	2,800,364
Total of Operating Expenses	$104,968,312	$ 12,551,334	$ 74,130,438	$25,917,958	$ 4,069,995	$ 64,497,163
Less Total Capitalized Items						(7,014,570)
Total Operating Net of Capitalized Items	$104,968,312	$ 12,551,334	$ 74,130,438	$25,917,958	$ 4,069,995	$ 57,482,593

Equipment Alter., Etc.	Gross Expenditure	Deduct Inter-Departmental Income	Total Expenditure March 31, 2003	Deduct Sales of Goods & Services	Net Expenditure March 31, 2003	Net Expenditure March 31, 2002
$	$ 50,716	$ 900	$ 49,816	$	$ 49,816	$ 64,854
4,289	434,206		434,206		434,206	346,293
	205,229		205,229		205,229	184,899
	460		460		460	19,371
						135,496
	286		286		286	151,622
	706		706		706	54,335
	144,597		144,597		144,597	86,037
	685,300		685,300		685,300	(179,016)
53,986	255,565		255,565		255,565	237,216
	163,410		163,410		163,410	164,699
	(238,444)		(238,444)		(238,444)	(173,173)
15,929	1,396,129		1,396,129		1,396,129	1,451,139
1,795	1,795		1,795		1,795	2,021
	145,380		145,380		145,380	134,666
328	78,275		78,275		78,275	73,541
210	25,110		25,110		25,110	22,584
	314		314		314	10,527
15,955	976,281		976,281		976,281	985,715
	8,053		8,053	2,398	5,655	6,408
	12		12	2,086	(2,074)	(1,692)
	20,682		20,682		20,682	108,173
	1,195,284		1,195,284		1,195,284	1,006,020
	936,981		936,981	468,491	468,490	453,715
	160,553		160,553		160,553	163,672
42,364	766,663		766,663	599,943	166,720	265,558
	6,017		6,017		6,017	6,186
	26,941		26,941		26,941	26,554
	273,472		273,472		273,472	
134,856	7,719,973	900	7,719,073	1,072,918	6,646,155	5,807,420
(30,761)	(30,761)		(30,761)		(30,761)	(204,288)
104,095	7,689,212	900	7,688,312	1,072,918	6,615,394	5,603,132
$ 18,955,709	$ 305,090,909	$ 13,068,217	$ 292,022,692	$ 20,538,010	$ 271,484,682	$ 253,017,487
(10,232,133)	(17,246,703)		(17,246,703)		(17,246,703)	(14,983,440)
$ 8,723,576	$ 287,844,206	$ 13,068,217	$ 274,775,989	$ 20,538,010	$ 254,237,979	$ 238,034,047

Schedule 8 **Research & Special Fund Expenditures**

	Salaries and Wages				
	Academic	*Other Instruction*	*Support*	*Staff Benefits*	*Payroll Tax Levy*
Academic					
Agricultural and Food Sciences	$ 20,950	$ 2,479,964	$ 910,477	$ 237,714	$ 43,760
Architecture	4,000	7,468		719	247
Arts	69,272	489,419	159,988	59,164	12,710
Continuing Education Division	58,905	55,543	200,106	31,496	5,373
Dentistry	21,023	101,090	193,479	28,734	4,932
Education	31,249	179,750	88,008	21,530	5,971
Engineering	418,907	2,740,445	339,116	124,170	24,640
Environment					
School of Art		1,229	5,017	308	155
Graduate Studies		1,958,697			
Human Ecology	48,035	283,946	193,763	41,232	7,608
Law	4,500	57,861	10,144	4,380	1,371
I. H. Asper School of Business	36,488	95,961	162,316	18,859	3,925
Medicine	4,513,249	8,591,186	9,518,661	2,483,443	392,550
School of Music					
Natural Resources Institute	3,250	375,925	17,669	9,067	2,201
Nursing	158,409	109,994	45,952	26,419	6,128
Pharmacy	111,003	234,562	95,802	30,344	6,062
Physical Education and Recreation Studies	273,902	232,816	12,111	53,876	9,896
Science	185,142	2,284,944	504,879	148,436	28,710
Social Work	119,492	84,010	158,662	32,252	6,090
	6,077,776	20,364,810	12,616,150	3,352,143	562,329
Less Capitalized Items					
	6,077,776	20,364,810	12,616,150	3,352,143	562,329
Other Academic Support					
Institutes, Centres and Specialized Academic Units	26,839	119,613	45,672	17,321	2,994
Research Development					
	26,839	119,613	45,672	17,321	2,994
Less Capitalized Items					
	26,839	119,613	45,672	17,321	2,994
Libraries			23,092	1,827	496
Less:					
Capitalized Items					
Books and Periodicals Expensed					
			23,092	1,827	496
Student Services		432,864	5,271	344	115
Less Capitalized Items					
		432,864	5,271	344	115
Administration	9,112	14,718	162,137	11,451	1,920
Less Capitalized Items					
	9,112	14,718	162,137	11,451	1,920
Physical Plant					
Less Capitalized Items					
General					
Total of Research and Special Fund Expenses	$ 6,113,727	$ 20,932,005	$ 12,852,322	$ 3,383,086	$ 567,854
Less Capitalized Items					
Total of Research and Special Fund Expenses Net of Capitalized Items	$ 6,113,727	$ 20,932,005	$ 12,852,322	$ 3,383,086	$ 567,854

Supplies and Expenses	Equipment Alter., Etc.	March 31, 2003 Gross Expenditure	March 31, 2002 Gross Expenditure
$ 1,956,624	$ 565,794	$ 6,215,283	$ 7,121,053
33,142	7,582	53,158	43,488
751,364	244,184	1,786,101	1,567,879
213,583	18,994	584,000	505,422
385,946	89,678	824,882	730,808
390,078	24,883	741,469	557,595
4,190,684	1,206,398	9,044,360	7,185,271
1,149		1,149	
35,254	6,221	48,184	38,761
		1,958,697	1,640,684
463,080	15,739	1,053,403	964,256
22,556		100,812	103,826
575,781	20,287	913,617	930,519
27,529,379	2,163,042	55,191,510	48,112,788
12,753	3,990	16,743	111,143
510,708	35,031	953,851	760,863
179,975	17,075	543,952	438,873
176,640	24,895	679,308	732,942
448,620	106,905	1,138,126	764,099
2,558,195	662,688	6,372,994	5,663,531
580,583	9,754	990,843	840,602
41,016,094	5,223,140	89,212,442	78,814,403
	(4,224,391)	(4,224,391)	(4,599,130)
41,016,094	998,749	84,988,051	74,215,273
198,425	10,815	421,679	443,473
20,000		20,000	
218,425	10,815	441,679	443,473
	(10,815)	(10,815)	
218,425		430,864	443,473
43,666	47,809	116,890	112,511
	(26,802)	(26,802)	(56,984)
(29,725)		(29,725)	(34,490)
13,941	21,007	60,363	21,037
120,199	19,538	578,331	501,828
	(18,510)	(18,510)	
120,199	1,028	559,821	501,828
1,519,183	16,119	1,734,640	1,119,154
	(6,974)	(6,974)	(6,547)
1,519,183	9,145	1,727,666	1,112,607
10,028	4,475	14,503	22,244
	(3,605)	(3,605)	
10,028	870	10,898	22,244
14,922	116	15,038	
$ 42,942,517	$ 5,322,012	$ 92,113,523	$ 81,013,613
(29,725)	(4,291,097)	(4,320,822)	(4,697,151)
$ 42,912,792	$ 1,030,915	$ 87,792,701	$ 76,316,462